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Canada Radio Broadcasting, Special
Committee on, 1939.

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SESSION 1939

HOUSE OF COMMONS

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SPECIAL COMMITTEE

ON

RADIO BROADCASTING

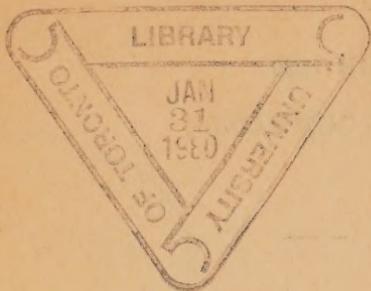
MINUTES OF PROCEEDINGS

No. 1

TUESDAY, FEBRUARY 21, 1939

OTTAWA

J. O. PATENAUME, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939



MEMBERS OF THE COMMITTEE

Mr. A. L. BEAUBIEN, *Chairman*

and Messieurs

Ahearn,	MacKenzie (<i>Neepawa</i>),
Bertrand (<i>Laurier</i>),	MacMillan,
Bouchard,	Martin,
Dupuis,	Patterson,
Factor,	Pottier,
Hamilton,	Ross (<i>Moose Jaw</i>),
Héon,	Slaght,
Howe,	Stevens,
Isnor,	Thompson,
Johnston (<i>Bow River</i>),	Turgeon,
Lawson,	Woodsworth.

WALTER HILL,

Clerk of the Committee.

ORDERS OF REFERENCE

HOUSE OF COMMONS

FRIDAY, February 10, 1939.

Resolved.—That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the Corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; and that the said committee shall consist of the following members: Messrs. Ahearn, Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Factor, Hamilton, Héon, Howe, Isnor, Johnston (*Bow River*), Lawson, MacKenzie (*Neepawa*), MacMillan, Martin, Patterson, Pottier, Ross (*Moose Jaw*), Slaght, Stevens, Thompson, Turgeon, Woodsworth, and that the presence of at least nine members shall be a quorum of the said committee and that Standing Order 65 be suspended in relation thereto.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, February 21, 1939.

Ordered.—That the said Committee be granted leave to print from day to day 500 copies in English and 200 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 64 be suspended in relation thereto.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORT TO THE HOUSE

TUESDAY, February 21, 1939.

The Standing Committee on Radio Broadcasting appointed to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the Corporation begs leave to present the following as a

FIRST REPORT

Your Committee recommends that it be granted leave to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

Respectfully submitted.

A. L. BEAUBIEN,
Chairman of Committee.

MINUTES OF PROCEEDINGS

February 21, 1939.

The Special Committee on Radio Broadcasting met this day at 11 a.m. (for organization).

Members present: Messrs. Beaubien, Dupuis, Factor, Héon, Howe, Johnston (*Bow River*), Lawson, MacMillan, Patterson, Pottier, Ross (*Moose Jaw*), Slaght, Turgeon and Woodsworth—(14).

On motion of Mr. Turgeon, seconded by Mr. Factor, Mr. Beaubien was unanimously elected Chairman.

Mr. Beaubien assumed the Chair and thanked the members of the Committee for the honour conferred upon him.

The Chairman read the Order of Reference to the Committee.

The Committee discussed at some length the terms of the Order of Reference and the methods of obtaining the information the Committee should have before it, from the Board of Governors and from the General Manager and Officers of the Canadian Broadcasting Corporation.

Ordered,—That the Clerk of the Committee procure copies of all correspondence and documents tabled in the House this session in relation to the Canadian Broadcasting Corporation.

On motion of Mr. Dupuis,—

Resolved,—That the Committee do report to the House and recommend that it be granted leave to print from day to day 500 copies in English and 200 copies in French of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

The Committee instructed the Chairman to arrange to have the Chairman of the Board of Governors, Mr. Leonard Brockington, K.C., and the Vice-Chairman, Mr. Rene Morin, N.P., to attend before the Committee at some future date.

The Committee adjourned at 12 o'clock, noon, to meet again at the call of the Chair.

WALTER HILL,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 429,

TUESDAY, February 21, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m.

Mr. Arthur Beaubien was elected chairman on motion of Mr. Turgeon.

The CHAIRMAN: I want to thank you very much for electing me chairman of your committee for the third consecutive time. First of all I shall read the order of reference and then I shall leave it to the committee to decide how we shall proceed.

Hon. C. D. Howe moved: That a select committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; and that the said committee shall consist of the following members: Messrs. Ahearn, Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Factor, Hamilton, Héon, Howe, Isnor, Johnston (*Bow River*), Lawson, MacKenzie (*Neepawa*), MacMillan, Martin, Patterson, Pottier, Ross (*Moose Jaw*), Slaght, Stevens, Thompson, Turgeon, Woodsworth, and that the presence of at least nine members shall be a quorum of the said committee and that standing order 65 be suspended in relation thereto.

What is your wish?

Mr. Ross: Mr. Chairman, I understand that this meeting was called to-day for the purpose of the election of a chairman. I would suggest we adjourn at the call of the chair and the chair endeavour to find out when it will be most convenient for the committee and those we wish to call before the committee to be available at another meeting.

Mr. SLAGHT: I have not been a member of the radio committee very long and I just do not know what the purposes are or what the outline of procedure is; but it occurs to me, after listening to the terms of reference—I had not heard them before—that you might do well to make available to us at once the existing regulations of the corporation, because the reference indicates that that is what we are to inquire into. Are the regulations contained in the blue booklets given to us? I think it is merely the annual report. If the regulations are here, then we have them.

Mr. FACTOR: Does this booklet contain all the regulations up to date? I personally would like to become acquainted with the regulations.

Mr. TURGEON: I take it the blue booklet would have the amendments in addition to the ones in the other book.

The CHAIRMAN: Is it your wish that we should have the chairman of the Board of Governors here? He could bring with him all the regulations that are not contained in these books.

Hon. Mr. LAWSON: You do not need to have him here for the purpose of getting the regulations. All you have to do is to ask the C.B.C. for any amendments to the regulations as printed in this green booklet, or any new regulations added since this booklet was compiled.

The CHAIRMAN: You want all the regulations and amendments to the regulations?

Mr. HÉON: Amendments to this booklet.

Mr. TURGEON: Anything not in these books.

Mr. SLAGHT: There is another suggestion, Mr. Chairman, I should like to make. In view of recent matters which brought the question of regulations before the public—I think perhaps before the house indirectly—would it not be well to request that there be tabled all the correspondence and documents relating to the recent difficulty with Mr. McCullagh and officials, particularly because they have been criticized to some extent in the press. I see the minister here, and he will know about it.

Hon. Mr. HOWE: These were all tabled in the house. We can get them from the house.

The CHAIRMAN: The clerk of the committee will provide a copy for the use of the members of the committee. They were tabled in the house.

Mr. SLAGHT: Mr. McCullagh indicated to me some time ago, on one occasion when I was in Toronto, that he would like to be afforded the privilege of attending before the committee himself on some appropriate occasion. He did not ask me to convey that to the committee, but I know that at that time it was his wish. If you think it appropriate to have the secretary communicate with him I should like to have it done. If you do not think it is appropriate now, until a program has been drafted out for us to proceed with, it might be that before anything like that which might be controversial should be brought out that we should go along lines that some members of the committee have in their minds as to the investigation or looking into other problems.

Mr. WOODSWORTH: Why should Mr. McCullagh come before this committee?

Mr. SLAGHT: I should think that he, having made some protests against regulations of the corporation, might feel that it would be opportune to permit him to make them here; in that way we can get the viewpoint from a Canadian who feels he has a grievance and who at least has indicated he feels the regulations require amendment or are not appropriate to all existing conditions. In my view he should be at least afforded the opportunity to come before this committee, if we are to get at the root of complaints that are made by the public. However, my friend may have another view.

Mr. WOODSWORTH: Yes. I cannot see why he should come any more than a hundred other individuals.

Mr. SLAGHT: I think if there are a hundred other men who complain and their complaints are substantial, they should be afforded the opportunity of coming and giving their opinion as to whether this service is rendering a public service or not.

Hon. Mr. LAWSON: That is what I was battling for all last year.

The CHAIRMAN: A special reference is made to review the policy and aims of the corporation and its regulations, revenues, expenditures and development. Should we start with the officers of the Canadian Broadcasting Corporation?

Mr. ROSS: Let us go through our regular procedure first.

The CHAIRMAN: If anybody outside of the corporation wishes to appear before the committee they will make the usual requests either through members of the committee making motions or through writing to the clerk, and the requests will be put before the committee and the committee will decide.

Mr. FACTOR: One of the terms of reference, as I understood it, was to investigate the regulations.

The CHAIRMAN: Yes, that is mentioned.

Mr. FACTOR: Mr. McCullagh claims one of the regulations is unfair and destroys freedom of speech. I agree with Mr. Slaght if Mr. McCullagh wishes to appear before the committee we ought to give him every opportunity to do so. But first of all we ought to go through the financial statement and the operations of the corporation, and then we should go into the other aspect.

Mr. Ross: Not only that, but we should have officers here and have them explain the details of the regulations so we will know what Mr. McCullagh is talking about when he gets here.

Mr. WOODSWORTH: Mr. McCullagh has had a great deal of publicity and has the opportunity of getting a great deal of publicity, and apparently he desires that kind of thing. But there are hundreds of other people who have their own ideas, and I do not know why we should single out one man who has been able effectively to place his opinions before the public.

The CHAIRMAN: I do not think it was the intention to single out one man. I think Mr. Slaght mentioned him because Mr. McCullagh spoke to him. Other people would have the opportunity accorded to them of making a request to be heard.

Mr. SLAGHT: That is quite right. Having had the matter brought to my attention as a member of the House of Commons I felt that I should bring it to the attention of the committee. If the other members of the committee agree with my friend from Winnipeg that he should not be afforded the opportunity of coming here, why the committee will say so. It is entirely up to us to say whether anybody shall come or shall have an opportunity to come.

The CHAIRMAN: Is it your wish that the next meeting should be at the call of the chair and that the chairman should make arrangements as to these regulations and reports, some of which are here, and that the officers of the Board of Governors and the officers of the management of the Canadian Broadcasting Corporation be requested to furnish us with copies as soon as it is possible to have them?

Mr. TURGEON: In the meantime, Mr. Chairman, can you have the members of the committee provided with copies of the letters, including those that have been tabled, and any other regulations there are?

The CHAIRMAN: Yes.

Mr. TURGEON: If that is not too much trouble. It would be very helpful to have that before the next meeting.

The CHAIRMAN: Is it the wish of the committee that we should proceed along that line?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: If any member of the committee wishes to have certain specific information, if he will so indicate to me, I will communicate with the management, and probably that will facilitate the procedure. You might keep that in mind.

Hon. Mr. HOWE: I might say that the private broadcasters came to me with their solicitor, Mr. Geoffrion, a few days ago and asked to be heard. I presume it is the intention of the committee to hear the officers of the broadcasting corporation first, and then any others who apply in the meantime.

The CHAIRMAN: With regard to any others who may apply, the committee will decide whether they should appear or not.

Mr. FACTOR: With all due respect to the minister, I am not so sure that I can alter the position that I took last year in the committee so far as private broadcasting is concerned. The principle of the nationalization of radio has

been established by the House of Commons. If the private broadcasters wish to discuss the regulations made with regard to them, that would be all right. But when it comes to going into the principle of private broadcasting as opposed to the broadcasting that is carried on, I cannot see how this committee would have any authority to go into that question.

Some Hon. MEMBERS: Hear, hear.

Hon. Mr. HOWE: Nevertheless, I think the CBC has certain control of private broadcasting; in fact, this McCullagh incident refers to that. When we are reviewing the policies of the corporation I hardly think we should refuse to review the policies with relation to privately-owned stations and refuse the privately-owned stations a chance to make representations.

Mr. FACTOR: That is in accordance with what I said. With regard to any regulation that is promulgated by the broadcasting corporation which affected the private broadcasters, they would be entitled to come up and discuss that with us. But they certainly would not be entitled to rehash the whole principle of radio broadcasting again.

The CHAIRMAN: In other words, if the control of the Canadian Broadcasting Corporation affects the private broadcasting stations, they should have a chance to appear.

Mr. FACTOR: Yes.

The CHAIRMAN: Last year, at our first meeting, I think we passed a resolution to have the proceedings of the committee printed. I see a motion here that we should print five hundred copies in English and two hundred copies in French of the day to day minutes, evidence and proceedings.

Mr. DUPUIS: I move that the same procedure be followed this year.

Mr. HÉON: I second that.

The CHAIRMAN: It is moved by Mr. Dupuis and seconded by Mr. Heon that we ask the permission of the house to print copies of our proceedings. What is your pleasure?

Motion agreed to.

Mr. SLAGHT: Mr. Chairman, are these regulations up to date? Are we correct in understanding that?

The CHAIRMAN: Any other regulations are contained in the annual report.

Mr. SLAGHT: So that with the two, we have them up to the minute?

Hon. Mr. HOWE: I would doubt that.

The CHAIRMAN: If that is not so, I will take it up with the management.

Mr. SLAGHT: That is important, in order that we do not start off with half of the regulations.

Mr. HÉON: The annual report does not give all the new regulations.

The CHAIRMAN: I will see that they are all brought before the committee.

Mr. HÉON: It says here, "Some aspects of special importance are described below." It is not complete.

Hon. Mr. HOWE: I think we should get any new regulations.

Mr. WOODSWORTH: There is another matter that I think might be discussed. I understand the regulations have not yet been drawn, although there has been some publication, with regard to television. That is coming to the front now, and certain matters will need to be decided on here—matters of fundamental policy. I hope that the officers will deal with that.

The CHAIRMAN: I think there are also some regulations in regard to facsimile. That is not the same thing, is it?

Mr. WOODSWORTH: No.

Mr. HÉON: What is that, Mr. Chairman?

The CHAIRMAN: Some regulations the Canadian Broadcasting Corporation has passed in regard to facsimile.

Mr. HÉON: Oh, yes.

The CHAIRMAN: I will have all these at the next meeting. Then will this be in order: As soon as I can get the officers and the management, we will have them. I do not think we should insist on them coming down; we can insist if we wish to, but would it be fair to insist on them coming unless it is convenient to them to a certain degree?

Hon. Mr. LAWSON: Are you talking of the governors of the broadcasting corporation?

The CHAIRMAN: The governors and the management.

Mr. ROSS: I think that should be left to the discretion of the chair.

The CHAIRMAN: After all, the management is what we are interested in.

Mr. HÉON: What we want are the complete regulations.

The CHAIRMAN: The chairman of the broadcasting corporation and the management.

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Is that your pleasure?

Mr. TURGEON: We will leave that to the chair for the time being.

Hon. Mr. LAWSON: I think you might save a lot of time if you start with the management; then, if necessary, bring in your chairman of the governors afterwards. Frankly, I have in mind that last year there was a great deal of time spent in talk which, in the long run, did not accomplish much. The material things I want can be obtained from the management.

Mr. FACTOR: Except this, Mr. Lawson: In so far as the regulations are concerned, they are brought about by the board of governors. The management is merely administrative. They carry out the regulations of the board of governors. I think we all agree that the real purpose of this committee is to investigate the regulations, more or less. There are other matters, of course, in which the management is more vitally interested; but I think it would be better—this is my humble opinion—to have, first, the governors explain the regulations, their authority, their scope and their extent. Then we can proceed from there.

Mr. WOODSWORTH: Do you think that we are sufficiently conversant with the implications of the regulations without having some further explanation from the management?

Mr. FACTOR: No, from the governors. I think the governors could very well bring to us the explanation of the regulations rather than the management.

Mr. MACKENZIE: The management only administers the regulations which are laid down by the governors.

Mr. TURGEON: There are two ways of looking at it. It may be some time, as the chairman says, before the governors can be here without too great inconvenience to them; and we do not wish to impose upon them.

Hon. Mr. LAWSON: And cause expense.

Mr. TURGEON: And cause expense, yes. In the meantime, we may acquire a great deal of information through the managing officers. Then later we could have that information augmented by discussions with the board of governors.

The CHAIRMAN: Right on that point, I might say that the board of governors are meeting in Ottawa now.

Mr. TURGEON: Now?

The CHAIRMAN: Yes; all of them that are available.

Mr. TURGEON: I did not know that.

The CHAIRMAN: They met yesterday and they are meeting to-day. That is my information. So they are available.

Mr. POTTIER: For how long?

The CHAIRMAN: I understand they met yesterday and are meeting to-day. I think they will be through with their meeting to-day. But they are here.

Mr. HÉON: Of course, we have not the complete regulations to question them upon, if we wished to.

The CHAIRMAN: That is right.

Mr. TURGEON: We have not the information that we should have. There is something in that.

The CHAIRMAN: We will have it at the next meeting.

Mr. TURGEON: Will they still be here at the time of the next meeting?

The CHAIRMAN: Well, it is up to the committee. We could hold them.

Hon. Mr. HOWE: Does the committee wish that the governors be held here?

Some Hon. MEMBERS: No.

Hon. Mr. HOWE: It is some expense. I would not think that the committee would want us to have them held.

The CHAIRMAN: If we have the chairman of the board of governors, would that not be sufficient?

Mr. FACTOR: The chairman of the board of governors, so far as the regulations are concerned; and, personally, I should like to have someone acquainted with the financial set-up and so on.

The CHAIRMAN: Mr. Morin is chairman of the finance committee.

Mr. TURGEON: That will be sufficient for now; we can always get the management.

Mr. FACTOR: I notice in this booklet that the Department of Transport also promulgate certain regulations so far as technical matters are concerned. I do not suppose we are interested in those regulations—or are there any regulations?

Hon. Mr. HOWE: We administer another act.

Mr. FACTOR: The Radio Telegraph Act.

Hon. Mr. HOWE: It used to be called the Radio Telegraph Act. It is now called the Radio Act. Our officers are always available if you want to go into that act.

Hon. Mr. LAWSON: I do not think there are any complaints throughout the country, other than possibly some individual grievances, about the administration of the technical end of it.

Hon. Mr. HOWE: No, I do not think so. I think they are doing a pretty good job. If anything comes up, we can always call them. They are always here.

Mr. TURGEON: They are always available. I move that we adjourn to the call of the chair.

The CHAIRMAN: On Thursday we are having a caucus, are we not?

Mr. TURGEON: A Liberal caucus.

The CHAIRMAN: When do you have your caucus, Mr. Lawson?

Hon. Mr. LAWSON: On Wednesday.

The CHAIRMAN: Every Wednesday?

Hon. Mr. LAWSON: Every Wednesday.

Hon. Mr. HOWE: Would Friday of this week be all right, or would it be better to put it off to the first of next week?

Mr. TURGEON: Tuesday would be a better day all around.

Mr. FACTOR: Tuesday of next week is perhaps best.

The committee adjourned, to meet again on Tuesday, February 28th, at 11 a.m.



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SESSION 1939

HOUSE OF COMMONS

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SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

THURSDAY, MARCH 2, 1939

WITNESS:

Mr. Leonard W. Brockington, K.C., Chairman, Canadian Broadcasting Corporation.

OTTAWA
J. O. PATENAUME, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

MINUTES OF PROCEEDINGS

THURSDAY, March 2, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Factor, Hamilton, Héon, Isnor, Johnston (*Bow River*), Lawson, MacKenzie (*Neepawa*), MacMillan, Martin, Patterson, Pottier, Slaght, Stevens, Turgeon, Woodsworth. (19).

In attendance:

Mr. Leonard W. Brockington, K.C., Winnipeg, Chairman, Board of Governors, Canadian Broadcasting Corporation;

Major Gladstone Murray, General Manager, Canadian Broadcasting Corporation;

Dr. Frigon, Assistant General Manager, Canadian Broadcasting Corporation.

The Chairman informed the Committee that he had received a letter from Mr. Aime Geoffrion, K.C., representing the Canadian Association of Broadcasters, and that the Minister of Transport, Hon. C. D. Howe, had received a letter from Mr. Glen Bannerman, Vice-President of the Association of Canadian Advertisers, Inc.

Ordered:—That the letters be printed in the Minutes of Evidence.

Mr. Brockington, K.C., then took the witness stand and presented to the Committee a résumé of the work of the Board of Governors of the Canadian Broadcasting Corporation.

The Committee adjourned at 12.45 o'clock, p.m., to meet again to-morrow, Friday, March 3, at 11 o'clock, a.m., when Mr. Brockington will continue his evidence on the policies of the Canadian Broadcasting Corporation.

WALTER HILL,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

March 2, 1939.

The Select Standing Committee on Radio Broadcasting met at 11 a.m.
The Chairman, Mr. Arthur Beaubien, presided.

The CHAIRMAN: Now, gentlemen, if you will come to order; we have a quorum.

I think we will start our proceedings along the lines agreed upon at our previous meeting. I have instructed the Chairman of the Canadian Broadcasting Corporation, Mr. Brockington, to be here, and he is present now. It was also understood that the vice-chairman, Mr. Morin, would be here but I did not get in touch with Mr. Morin because I did not want to bring him here unless we were ready to proceed to hear him, and I am sure we would not be able to use him this morning. However, he will be available to this committee when the committee are ready to hear him. Therefore, if it is your wish, we will hear from Mr. Brockington.

Before Mr. Brockington comes before us may I say that I have received requests from Mr. Geoffrion, and also from the Association of Canadian Advertisers to be heard before this committee. If you like we will leave these requests to be dealt with at the next sitting of the committee, because I think we will be in a better position to deal with them then than to take time for doing that now. Is that agreeable to you, gentlemen? Is it your wish to hear Mr. Brockington now?

Mr. HÉON: You have just referred to two communications which you have received, one I think you said was from Mr. Geoffrion. Might I ask that we be informed as to what the general import of these communications or requests is?

The CHAIRMAN: I will read these communications, if you like.

Mr. HÉON: I think it would be sufficient if you would just give us an inkling as to what they contain.

The CHAIRMAN: I received a letter from Mr. Aime Geoffrion addressed to me at my office which reads as follows:

112 St. James St., W.,

Montreal, March 1, 1939.

Dear Mr. BEAUBIEN,—I confirm the request I made to you orally to the effect that the Canadian Association of Broadcasters be heard by the Committee of which you are the chairman and that this hearing should not, if possible, take place before the 21st of March and should take place as soon afterwards as conveniently possible to the committee.

I appreciate that the convenience of the committee must first be considered but if that could be done it would suit in every way the convenience of my clients and of myself.

Yours truly,

(Signed) AIME GEOFFRION.

personally of any political pressure having been placed upon us at any time. If there ever has been any suspicion of pressure I am sure it has been completely resisted; and, further, as long as this board of governors is in office if there ever is any political pressure it will always be resisted. Our administrative officials have been instructed to act accordingly.

In presenting these facts and in stating what I consider to be our position I hope no one will think that there is any attempt on our part to usurp any authority. I look upon that statement as a plain statement of a plain duty which has been designated by parliament and accepted by us. We are, therefore, in our own opinion, a board that has a sense of responsibility to the listeners and to parliament as trustees for the listeners; that has an acute and an abiding sense of its duty to be impartial. We are a board that has done its honourable best to fulfil its obligations to all classes of those citizens whose business we administer.

Now, before I enter into the field of our progress, our policy and future developments—and perhaps deal with some of the difficulties and perils that beset national broadcasting—I propose once again, because these things are sometimes forgotten, to identify our origin, to mark the milestones, and to set the landmarks in order.

The demand for and the construction of a national system grew out of the conditions of population and geography. It was obvious both to the Aird royal commission which examined the situation in 1928 and 1929 and to the special parliamentary committee of 1932, that advertising revenue could not in Canada finance an adequate Canadian system. In any event if left on that basis Canadian radio would become only a satellite of the American commercial networks. For example, analyses made in 1932 and based on Department of Marine figures showed that outside of the main advertising districts of Toronto and Montreal only about two-fifths of the population could get Canadian programs regularly. These programs in any event were chiefly gramophone records. Of the six hours and fifteen minutes which represent the daily average broadcasting of all Canadian stations, only two hours and sixteen minutes were occupied by programs using any original talent whatever. In 1932, Canadian outlets of the principal United States' commercial chains comprised about half the total broadcasting power, viz: CKAC, Montreal, 5,000 watts (Columbia); CFCF, Montreal, 400 Watts (N.B.C.); CFRB, Toronto, 10,000 watts (Columbia); CKGW, Toronto, 5,000 watts (N.B.C.). These illustrations show how, if advertising were the basis of operation, Canadian radio would have been lost for Canadian purposes, commercially or otherwise.

Another factor upon which the Aird Commission and the parliamentary committee of 1932 found themselves in agreement was as to the character of radio as a natural monopoly and its tendency to fall under monopolistic control. This was especially true in Canada possessing as she did only a few high-powered wave lengths. The importance was consequently recognized, if a national system were to be established, of unified national control, for the purposes of co-ordination and expansion.

Both the Aird Commission and the parliamentary committee of 1932 pointed out the importance of avoiding duplication of facilities and of concentrating all available sources of revenue, (both the proceeds from licence fees and advertising), on the production of Canadian programs. At the same time, the Aird Commission saw that Canada could by such a policy provide Canadian listeners with a wide variety of programs from the United States, Great Britain and elsewhere. The system it conceived might be described as "public ownership of stations, competition in programs."

In addition to the above considerations, it was of course constantly emphasized that advertising and the profit motive should not be the foundations on which this new medium of mass communication should be built.

[Mr. Leonard W. Brockington, K.C.]

The demand for a public system came from a very wide cross-section of Canadian opinion. It was a practical demand and not a theoretical demand. It arose from the special consideration of Canadian conditions. For example, the popular request which led to the appointment of the Aird Royal Commission in 1928 came from national organizations, such as the Canadian Legion, the Trades and Labour Congress of Canada, women's organizations and many newspapers and individuals. The demand which led to the special parliamentary committee in 1932 was even more comprehensive and included, as the minutes of the special parliamentary committee of 1932 will show, almost every element in the nation's life—universities, educational institutions, business, professional, women's organizations, national organizations, Boards of Trade, Chambers of Commerce, listeners' societies, national and local farmer and labour organizations, and the majority of Canadian newspapers.

The recommendations of the Aird Commission and those of the parliamentary committee of 1932 were identical in the following respects:

They both took cognizance of the conditions and conclusions which I have just mentioned.

They both recommended a national chain which would include all the high-power stations.

They both agreed on the paramount importance of a single national authority to control, for purposes of co-ordination, all broadcasting in the public interest; this control being especially necessary as a high-power system could for financial and other practical reasons only gradually be established.

The Radio Commission, while embodying the essential principles of unified control and public ownership of high-power stations was considered defective in its machinery since a national broadcasting system requires an independent and flexible constitution:

- (a) Because, from all points of view, it is in fact in the nature of a business;
- (b) because, the character of broadcasting requires the utmost flexibility of administration;
- (c) because, the national broadcasting authority must be removed from the direct control of the government of the day and be non-partisan and independent.

For the above reasons the special parliamentary committee of 1936, while reaffirming the essential principle of unified control, recommended the present basis of independent control which is in fact roughly the sort of constitution envisaged by the Aird Royal Commission. In its constitutional aspect it is similar to the B.B.C. and to most of the public systems in democratic countries.

The CBC plan of national coverage is in essentials the same as that recommended by the Aird Commission and by the parliamentary committee of 1932. It predicates the ownership by the corporation of all high-power stations. It assigns to private stations, except in so far as they are used for network purposes by the corporation, a purely local function. The Aird scheme proposed a chain of seven 50-kilowatt stations and the necessary subsidiary stations. The relevant recommendations of the parliamentary committee of 1932 are as follows. I will read them if I may:—

Your committee recommends that a nationally-owned system of radio broadcasting be instituted, and that all stations required for its proper organization be eventually acquired.

Your committee recommends that consideration be given to the use of five 50-kilowatt stations, one in each of the following provinces of Canada, namely, British Columbia, Manitoba, Ontario, Quebec and in the maritimes, three 500-watt stations, one for each province, or one 50-kilowatt station, as may be determined by the Commission. In Sas-

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katchewan and Alberta we suggest two 50-kilowatt stations in each province synchronized on a common channel. Further a 10-kilowatt station in Northern Ontario and Western Ontario, a 1-kilowatt station at Port Arthur-Fort William, a 500-watt station in Toronto and a 1-kilowatt station at, or near, Ottawa, Montreal and Quebec.

The CBC's plan of national coverage was outlined subsequent to its survey of the coverage of all stations in Canada. It was summarized by myself and also by the Honourable Mr. Howe in a speech at Moncton in October, 1937. These are the Minister's words:—

The Broadcasting Corporation has adopted, as a policy, government ownership and operation of the larger stations. In future private stations will not be allowed to expand beyond one thousand watts, while existing larger stations will not be permitted to increase their present power. The Corporation will, however, proceed as rapidly as funds will permit to build a series of high-powered stations, which will in themselves give full coverage.

With that policy, which I submit is incontrovertible, unified control is essential if the plan of national coverage, necessarily carried out by stages, is to be achieved and if broadcasting generally is to be co-ordinated in the public interest.

I should like now to deviate for one minute to define what I conceive to be the function and the duty of the operators of radio stations in this country. It seems to me that anybody who is enjoying the rights to operate a radio station is occupying the public domain; in other words, he owns a franchise, because a franchise consists of the occupation of the public domain, whether it be a franchise to use the air or to use the streets of a city, or to use any other national or community property. I submit, therefore, that the owner of every private station is as much a trustee for all classes of listeners as is the CBC. I intend to elaborate upon that further when I deal with certain recent controversial matters. I submit, therefore, that anybody who occupies the public domain and enjoys a franchise is in the nature of a public utility if he is granted the use of public property.

The principle of public utility ownership is that it shall be highly regulated and that there shall be a limitation on its profits with surplus profits going back for an improvement of the public service. Railway earnings, I understand, were limited to ten per cent. The earnings of gas companies, of electric light companies and of other companies occupying public franchises are limited usually to what is described as a reasonable return upon the capital used and useful in the business. Now, the CBC does not want, and I am sure nobody else wants, to prohibit private radio stations making a reasonable profit. But I think the essential interests of the community demand that there shall be no profiteering in private radio. I have reason to believe that there are men coming before this committee who are at present making a tremendous return on any capital used and useful in this public business, men who are coming to make demands and to launch attacks on the Canadian Broadcasting Corporation in an effort to increase their profits. I am going to suggest for the consideration of this committee some legislation to be passed in the future whereby the profits of holders of a franchise being part of the public domain should be limited rather than increased. Before the end of the meeting I hope to elaborate that idea, and I leave it with you as a thought.

Now, to recapitulate the evolution of the conception of a national broadcasting system.

(1) When the Canadian Radio Broadcasting Commission was created in 1932, the power of all Canadian stations was about 45,000 watts and the coverage about 40 per cent of the population.

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(2) When the CBC took over on November 1, 1936, the power of all stations in Canada was 80,000 watts and the coverage of the national network 49 per cent of the population.

(3) On March 31, 1938, the total power of all stations in Canada was 186,000 watts of which network stations accounted for 168,000 watts and stations owned by the CBC, 113,000 watts.

(4) When the two new CBC 50,000 watt transmitters are completed this spring, the total power of CBC owned stations will be 215,200 watts or three-quarters of the power of all stations in Canada.

(5) The picture of the system which is emerging in Canada is, therefore, as follows:—

- (a) First, there is the CBC national network, including all high-power stations, plus other stations necessary for a really effective system;
- (b) Low-power local stations individually operated or coordinated in relation to the dominant system and fulfilling a useful local and subsidiary purpose;
- (c) The CBC controlling all network programs in the interests of an increasing amount of high-class network entertainment of a uniform and sustained quality, with planned alternatives for the listener.
- (d) A short-wave system as a medium of national interpretation and advertisement and as a means of broadcasting to French-speaking Canadians outside of Quebec.
- (e) Facsimile and television controlled in the public interest.

I propose to deal later on with network policy, with the short-wave system and with the control of facsimile and television.

- (a) Potentially—and I say it advisedly for the reasons which I gave last year and which are becoming increasingly true—we possess the best broadcasting system in the English-speaking world—because essentially we will be able, as we are in large measure now doing—to carry the best programs available outside of Canada, whether from the United States, NBC., Columbia or Mutual, the best available programs arranged for overseas consumption by the British Broadcasting Corporation (and they I understand will shortly be increased and improved). We shall also be able to continue to concentrate on the creation of Canadian programs worthy of exchange. Such a system would be of increasing utility as an agency of national unity.

There was one little point I should like to make as an aside. I referred to stations fulfilling useful, local and subsidiary purposes. We had an opportunity recently of trying an experiment.

Application was made, in circumstances which were such that the board desired to refuse it, for an increase of power at Yorkton in Saskatchewan. The reason we wished to refuse it was because of the unsatisfactory manipulatory history of wave lengths in that district. On the other hand, however, the Yorkton Board of Trade and a large number of neighbouring boards of trade within the coverage of that station joined together and came before the board of governors of the CBC, asking us to establish what they called a community station. We were able to bring together the people who wanted to put the station in and the local interests represented by the boards of trade. We made a new arrangement which we think is unique, and one which we should like to see followed in some measure throughout Canada. The arrangement, briefly, was that the equipment should be up-to-date; that the board of directors of the new company should include two representatives of the local boards of trade; that there should be an undertaking that at least four hours broadcasting

a day should be for educational community purposes, particularly having reference to the needs of the agricultural population; that there should be the completest fairness as between political parties in the expression of opinion, not only during election times but also between election times; that there should be no concentration on the advocacy of any particular form of grain marketing; and that the owners of the station guarantee to pay to the Yorkton Board of Trade in trust \$300 a year for the first five years and thereafter \$500 a year for the establishment of scholarships at the University of Saskatchewan for deserving young men and young women in that neighbourhood. While that arrangement is by no means perfect, we were pleased to try it as an experiment in what we considered the new consciousness and the new conscience of the idea of community cooperation which we think should underlie all broadcasting in this country.

I should now like to deal a little further with the increase in coverage which has taken place since last year. Our object is eventually to provide all the population of Canada with first-class listening opportunities and first-class coverage. We are approaching that end. In November 1936, the CBC network served less than fifty per cent of the population. To-day, or I should say in a few weeks time, we shall be covering eighty-five per cent. In 1937 we built CBL at Hornby, and CBF at Vercheres. At the end of 1937 we served 76·5 per cent of the population. Our new station CBA in the maritimes will open on April 8; the new station CBK in the prairies should open on the first of June at the latest, and we hope to have it at least for testing purposes by the time of the King's visit. When those two stations are open we shall be serving eighty-five per cent of the people of Canada. I want to say this about our new stations. We hope that the maritime station will bring programs to people who have never before had the opportunity of hearing them. Our prairie transmitter is operating on the best wave-length on this continent, 540 kilocycles. Engineers both in Canada and the United States tell us that no station in the world of similar power will be able to give anything like the same service, largely due to the admirable location and to the wonderfully receptive terrain of the surrounding plains. I am happy, therefore, to say to the people of this part of Canada whose loneliness and difficulties make them need entertainment and comfort more than those in any other part, that the programs of the CBC will become fully effective on the first day of June. For sixteen hours every day we will be able to give the people of western Canada, on a signal that will be strong enough to insure them admirable service, a succession of programs from Canada, from abroad and from the United States, which will bring them continuing delight. On these stations we will have no local commercialism. We will give them all the sustaining programs we now have. We will try to develop additional sustaining programs and educational programs. Those of us who hate commercialism in our hearts and look forward to a great increase in the cultural and educational work that radio can do in this country, look upon the opening of this station as at least one very important step toward the ultimate achievement of our desire.

For the purpose of the record, I wish to read the coverage statistics in the various provinces. They are as follows:—

COVERAGE STATISTICS (C.B.C.)
Per cent of total population

	Nov. 1, 1936	Jan. 1, 1938	Jan. 1, 1939
Maritimes.	47·5	...	47·5
Maritimes (with CBA)	...	...	71·2
Quebec..	66·1	85·2	85·2
Ontario..	29·6	85·5	85·5
Prairies.	55·4	64·9	64·9
Prairies (with CBK)	...	...	88·2
British Columbia..	60·8	67·9	67·9
Dominion..	48·8	76·5	76·5
Dominion (with CBA and CBK)..	84·2

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There are other areas which demand special consideration. They are difficult to deal with for a variety of reasons, partly because of what look to be unjustifiable expenses having regard to the number of people to be served—although I do not share that view—and partly because of geographical and other difficulties. Two areas of Canada in our opinion at the moment are getting wholly inadequate service and, in my opinion, have very legitimate cause for complaint. The first is, southwest Ontario, and the second is British Columbia. In British Columbia the C.B.C. programs do reach over two-thirds of the population; but there is a vast area both in the interior and in the northern part of British Columbia which does not receive C.B.C. programs. There are two reasons for this. The first reason is to be found in the mountainous nature of the country and the difficulty of the terrain; the second in the fact that nearly all of the population of British Columbia is concentrated in one corner—and a very pleasant corner it is. We are not quite sure what the solution is. It has been suggested that increasing the power in Vancouver to 50,000 watts may solve some of the problems. Personally, I doubt whether it will solve the main problem we want to solve, namely, to reach the people in the north and interior. It may be that we may have to establish, as soon as we are able, a chain of subsidiary stations or something of that kind. It may be that our engineers can find some ingenious way of doing it. All I know is that we are contemplating both an increase in power and the addition of subsidiary facilities. Steps will be taken early this spring to see what can possibly be done to help that district. There is something I do want to tell any gentlemen here from British Columbia—and I think Mr. Turgeon comes from Cariboo; at least he mentions Cariboo to me every time he sees me—and that is that we will try to bring the people in the hinterland better service as soon as possible.

Southwest Ontario, apart from the fact that it is pretty close to American stations, I believe is labouring under a sense of injustice; and I am quite prepared personally to admit that that sense of injustice is to a great extent justified. Once Mexican interference is finally taken away—and I might say that the Havana agreement to which I referred last year has been signed by everybody but Mexico, which is not very helpful, but we are still hoping—CBL will no doubt give much better service in southwestern Ontario than it is now giving. In the meantime, we have asked the government for permission to erect a thousand-watt station or to re-erect it in better shape outside of the city of Windsor. This station, we are advised, will give 100 per cent day and night service under all conditions to the whole of Essex county and to certain adjoining areas in Kent and Lambton counties. It will give effective daytime coverage to Sarnia. Sarnia, however, can only be adequately served at night either by the implementing of the Havana agreement and, therefore, a release of much more power to CBL; or if the Havana agreement is not implemented, then by an exchange in wave-lengths and frequencies which will probably have to take place in any event.

I have one other interesting announcement which I am sure we as Canadians will be glad to hear. The neighbouring dominion of Newfoundland has recently instituted a national broadcasting system. It has founded it on the Canadian idea and the Canadian Act. It has established a licence system. It has set up a board of governors. It will operate at the present time one station only, a station of 12,500 watts, I believe. On March 13 the station will be officially opened by joining up with the Canadian Broadcasting Corporation. Newfoundland has paid for lines from Montreal to Drummondville and proposes to take from the C.B.C. all our sustaining features, which we give to them willingly for nothing. We are hoping, and they are hoping too, that some of the commercial features which are obtained from the United States and elsewhere may be extended to Newfoundland to give them some little additional revenue. I would say that I believe that the life of both our countries is going to be enriched by the exchange of cultural features that can take place between us. Newfoundland

is proposing to send us some pictures of its national life, some of its folk songs and some parts of its cultural heritage. We give them freely all our sustaining programs. So much for coverage.

I suppose I had better make some reference to the commercial policy which was the subject of considerable questioning at the last committee. If you remember, our commercial policy was stated to be that we would sell to certain sponsors a limited amount of time for programs of which the entertainment value, viewed from public appeal, was high. That policy, which has been carried out within the moderate and compromise limits which I indicated last year, has proved advantageous as prophesied.

It has provided, I think you will all admit, a number of highly entertaining programs for the Canadian people, programs which, in any event, many of the more favoured centres listened to before. It has established most cordial relations between the Canadian Broadcasting Corporation and the great chains of the United States, relations which are founded, I believe, on something far higher and better than financial considerations. I believe there has been a gradual establishment of international good-will by means of our close affiliation with these chains and our exchange of programs. It has also facilitated the attaining by the Canadian Broadcasting Corporation of a large number of sustaining programs, programs which, I think we all admit, are as fine as anything obtaining in the world, and which in themselves form a background of good broadcasting. I refer to programs like the Metropolitan Opera and the New York Symphony and other cognate delights.

A second advantage has been that when time has been occupied by these large commercial programs it has to some extent released time and funds for our own sustaining programs; and finally it has provided us with a moderate revenue.

There were two fears expressed at the time of the last committee, and I quite agree they were genuine and honourable fears. I submit they have not been justified. One was that the Canadian radio was going to be Americanized and robbed of many distinctive features. Last month the complete statistics to December, 1938, showed that the total American programs, both sustaining and commercial, as compared with April of last year, was 16·2 per cent as against 16·1. There has been that increase. Canadian programs represent 81·5 per cent of our total network programs.

I think commercialism to the extent that we have allowed it has also enabled us, by the additional revenue and by the release of both time and money, to improve our sustaining features. I propose to deal briefly with that view of it a little later on, leaving, of course, the main duties to Mr. Murray in that connection. But we have, at least, been able, I think, as I shall show you when you get the statistics of programs, to improve our sustaining features during the last year. It will be interesting to note that in so far as statistics available for the last month show the CBC networks all commercials occupy 30·4 per cent, sustaining programs approximately 70 per cent.

Now, since we last met the CBC has just negotiated a new agreement with the Canadian Press. There is no doubt that the broadcasting of news throughout Canada has not been done by the Canadian Broadcasting Corporation perhaps as fully, maybe not as colourfully as it might have been. I want to read to you that which I read to you last year, our regulation concerning news policy. We have always taken the view that we would not put any restrictions upon the broadcasting of news by any persons, provided that we did have the

right, if news services were found to be subversive of the interests of this country, or something of that kind, in times of stress to stop them. Our regulations are as follows:—

Stations shall not transmit any news or information of any kind published in any newspaper, collected, correlated, or coordinated by any newspaper or association of newspapers or any news agency or service except the following:—

- (a) Such news bulletins as are released regularly from the various bureaux of the Canadian Press for the express use of broadcasting stations in Canada;
- (b) Local news under arrangements to be made by each station individually with its local newspaper or newspapers, or such news as it may collect through its own employees;
- (c) News from sources other than those provided for in subsections (a) and (b) herein, shall not be broadcast unless the express permission in writing of the Corporation through its general manager is secured in advance.

Now, we have always received the most generous co-operation from the Canadian Press. They have given us their service. It is true it has been a limited service. They have given it to us for nothing. The service in so far as their share of it has been concerned, has, I think, been the best obtainable in all respects; but it has been felt for a long time, especially with the building of our big new transmitters, that we shall have to expand our news service both regionally and nationally. We have therefore just negotiated a new agreement with the Canadian Press, which I propose to read to you. I look upon it as a generous agreement, which involves the utmost freedom on both sides. It might interest you to know it is in line, I think, with the agreement which has recently been negotiated between the Associated Press and the two big American chains.

The Canadian Broadcasting Corporation does not allow commercial sponsorship of news broadcasting to go on its stations or networks, nor are we in favour of such commercial sponsorship, although we realize that private stations perhaps have the right to do it, and we have no wish to interfere with it at the moment except by encouragement to do otherwise.

Now, the agreement which I shall place before you is very short, and I shall read it to you:—

Whereas (1) the Canadian Press is the co-operative association of daily newspapers in Canada aiming to provide an objective and non-partisan service of Canadian, British and world news.

Whereas (2) the Canadian Broadcasting Corporation is a public organization aiming to provide the Canadian people with a comprehensive broadcasting system.

Whereas (3) for the past five years the Canadian Press has supplied, free of cost, a limited bulletin service to the Canadian Radio Broadcasting Commission and its successor, the Canadian Broadcasting Corporation.

Whereas (4) because of the increase of network broadcasting time and the extension of nation-wide facilities of distribution through the establishment of high power regional stations, the importance is recognized of developing both the scope and the organization of the broadcast news service.

Whereas (5) the Corporation has resolved that it will not broadcast any commercially sponsored news over its own stations.

Whereas (6) the Canadian Press is willing to provide the Corporation with news as hereinafter provided. Now, therefore, the Canadian Press and the Corporation agree as follows:—

- (a) The Canadian Press will place its entire news service at the disposal of the Corporation and undertakes to provide therefrom bulletins locally, regionally and nationally as requested by the Corporation.

That means to say that all the news of the Canadian Press is available in Vancouver, Halifax, Winnipeg, Toronto, just as it is available to any newspaper, and it is all placed at our disposal and we can demand the provision therefrom of bulletins. We can demand ten or twelve a day or whenever we care to give this important service.

- (b) The Corporation—"that is ourselves"—will determine the timing of the bulletins, their number, form and length.
- (c) The bulletin service will be supplemented by flashes as requested.

Flashes, as you know, are those quick short items of important news that are sometimes—I think sometimes too often—put in a radio program when anything important is happening.

- (d) The Corporation will be at liberty to insert "actuality" broadcasts and recordings.

That means to say if a bridge at Niagara Falls goes out and news is given and we have already had a unit there recording the crash and the noise of the splash, we will be able to put it in as background for news.

- (e) The use of this news by the Corporation shall be confined to aural broadcasting.

Aural is spelled a-u-r-a-l and means the kind of broadcasting you hear to distinguish it from facsimile and television.

- (f) Nothing herein shall be deemed to prohibit the broadcasting of news merely as incidental to commercially sponsored programs of entertainment broadcast by the Canadian Broadcasting Corporation.

That means to say provided that the news so broadcast is not Canadian Press news. At the present time at intervals in the hockey matches we have other news on the broadcasts.

- (g) Private stations owned or controlled by member newspapers of the Canadian Press shall at the request of the Canadian Press be supplied by the corporation at cost with the Canadian Press news service for sustaining purposes only.

Private stations in areas not covered by the corporation's broadcasting service may be permitted at the discretion of the corporation to broadcast the Canadian Press service but only on a sustaining and strictly non-sponsored basis.

That means that certain stations which now do not get service in the far north for example, shall be allowed to pick up and rebroadcast the news.

- (h) The corporation will accord to the Canadian Press such credit acknowledgments as may be agreed upon from time to time.
- (i) If the corporation elects to do its own selections and editing of the news to be provided by the Canadian Press and prepare its own news bulletins, the Canadian Press will make available at its own head office its news service without cost. If the corporation requires the Canadian Press to do the selection and editing both at its head office and its regional bureaux, the corporation will indemnify the

Canadian Press for its actual editorial and preparation cost—which cost is presently estimated at \$20,000 per annum, effective from March 1, 1939.

Now the probability is we will take their service for the time being because it would probably cost us more than they can do it for.

(j) It is understood that this memorandum is only a temporary working arrangement and is subject to reconsideration and amendment by application of either party on three months notice. In the meantime it is designed to facilitate the development of the service pending the settlement of outstanding questions which are recognized on both sides.

I have thought it necessary to read that agreement because it marks an era of expansion. In my opinion it marks, too, the cordial relationship between the press and the Canadian Broadcasting Corporation. I think the agreement is generous, and I hope that its working out will bring a great deal of pleasure to Canadian listeners.

Mr. BERTRAND: Have you any copies of that?

The WITNESS: It will be in Hansard in the morning. I can get copies for you if you want them.

Now, I am going to give you a very brief statement on the finances of this corporation, leaving Mr. Murray or Mr. Morin, whoever follows me, to elaborate them if you wish them to be elaborated. We estimated last year a total revenue of \$3,200,000. Insofar as that revenue could be estimated to the end of this month—the actual figures at the moment are \$3,168,000, but we have pending an adjustment on certain collection fees with the department, and if these are adjusted, as I think they will be, it will probably bring our estimate practically to within a few dollars of our actual revenue. Our expenditures have amounted to, or will have amounted to, \$2,893,000. We have deemed it necessary, as I have stated before, that the trusteeship of this national enterprise shall be prudent. I have emphasized the fact that while we do not want to make any profit, we certainly do not want to establish any loss. We have therefore tried always to live within our means. This year we shall have met all obligations, including full interest on government loans which have been advanced, and the retirement on capital provided for on a sinking fund basis, by our arrangement with the government—

Mr. FACTOR: Have you a break-down of the revenue you received?

The WITNESS: The revenue? I can get it for you. I have not it with me at the moment. I think the details in the main are these: we have received in our commercial service a revenue of somewhere between \$400,000 and \$500,000, and the rest from licence fees. After providing for all obligations we shall have at the end of this year by way of station reserves and operating profits, both of which will provide a working capital, a surplus of \$275,000.

Now, with reference to programs. I am going to ask the general manager, when he comes, to deal in complete detail with the programs that we have tried to build during the past year. I have asked to have circulated—I do not know whether it has been circulated or not—a little publication, of highlights of this week's programs. It is just a specimen. It was not specially selected. It was just picked up at random as applying to the current week. I believe if the members of the committee will read that and perhaps the various similar features that come out from week to week and continue far away into the year, they will get a vision of some of the work we are trying to do.

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We have had one paramount purpose in programs, and that has been to provide such a variety of programs of entertainment and enlightenment that must inevitably bring pleasure to the majority of listeners.

Our duties have been twofold. We have had the duty to increase the quantity of programs; we have had the duty to improve the quality of programs. We have tried to obtain the best programs available wherever they come from. We have tried also to stress the charm, vitality and resilience of the life of our country. By September, 1937, we were putting on 876 programs a month; by December, 1938, we put on 1,595 programs a month. I do not know whether quality has improved. I think it has and it certainly has if you can judge by listener reaction. I find it is difficult to analyse the psychology of ladies and gentlemen who write letters, whether the letter contains a billet from a lady or a ballot from a gentleman. But it might interest you to know that in November of 1938 we received 3,393 letters dealing with programs, of which 33 were unfavourable. You know how it is with letters; however, it is probable that in those 33 which were unfavourable the vitriol was a lot stronger than was the honey in the other 3,360 that were favourable.

In December of 1938, 4,814 letters were received and out of this 54 were unfavourable.

We have increased our listening time on our networks from six to twelve hours, and to sixteen on our own stations. Our programs in April of 1938 amounted to 1,340 and in December of 1938 to 1,595. The increase in hours from April of 1938 was from 538 to a total of 588 hours in December of 1938. The percentage of Canadian programs in April of 1938 was 82.8 per cent of the percentage of Canadian programs; in December, 1938, it was 81.5. The United States programs in April of 1938 represented 16.1 per cent and in December, 1938, they were 16.2 per cent. The B.B.C. programs in 1938 amounted to 2.4 per cent and in December of 1938 they were 2.2 per cent.

Other programs in April of 1938 were .2 per cent and in December of 1938 they were .1 per cent. It is hoped on the adjustment of certain shortwave matters that this amount will be increased. With reference to the general classification of programs I take the last statistical month available, namely December, 1938, and I am giving you an analysis of the percentage of hours devoted to the various classifications such as music, talks, variety, overseas, drama and so on.

GENERAL CLASSIFICATION OF PROGRAMS

LAST STATISTICAL MONTH—DECEMBER, 1938

Percentage of hours devoted to various classifications:

	Number of hours	Percentage of hours
Music..	312.05	53.02
Talks..	132.56	22.53
Variety..	52.20	8.87
Overseas..	29.32	4.97
Drama..	27.45	4.68
Children's..	18.45	3.14
Special events..	8.12	1.38
Northern messenger..	7.00	1.19
Public service..	1.30	.20
Totals..	588.45	100.00

Will Mr. Murray be kind enough to tell me what is meant by that last item, "Public service"?

MR. GLADSTONE MURRAY: That represents requests from public authorities, charities, and matters relating definitely to social services.

THE WITNESS: That is a question Mr. Murray and I have been discussing, recently, and I think this is a good time for me to speak to you about it; we think that we should make our service available to distressed people; take the case of a

[Mr. Leonard W. Brockington, K.C.]

lost child or missing relative or something of that kind; I think that is a type of national service which we might very well consider making available to distressed people. That is done by the B.B.C. in England, and I think it is a lead which we might very well follow. I think the C.B.C. might do also a little national advertising, not with respect to a particular manufacturer or even a certain group of merchants but rather from time to time to bring to the attention of our listening public the fact that certain Canadian products are now available in the market. For instance, we might say that such and such is the proper week in which to buy delicious apples from the Okanagan, melons from Montreal, fish from the Maritimes, or whatever it might be. In proportion to the extent to which we are able to increase public service in small matters of that kind the accumulated effect may prove to be of substantial benefit to the country as a whole.

The CBC now devotes 70 per cent of its broadcasting time to sustaining programs. We also allot more than half our total revenue to programs which, of course, are all sustaining programs. Our sustaining programs are regularly given to 36 stations, without charge, of which 27 are basic and 9 affiliated stations; and to 20 other private stations sustaining programs are offered with some restrictions; but we do give them special features and we use them whenever we can, particularly to allow greater coverage.

Mr. MARTIN: What do you mean by "basic"?

The WITNESS: Stations with which we have a contract and which regularly carry our commercial programs and agree to carry for an agreed part of their broadcasting hours, CBC service and sustaining programs. In addition to that we have some affiliated stations that are not under complete control, and then the remaining stations to whom we supply certain services. The other day, it was said publicly by someone, that private stations do not get any of the proceeds of CBC revenue. The answer to that, of course, is that taken together they get it all in service.

I have here a statement showing the proportion of expenditures divided between the broadcasting programs showing expenditures with respect to administration, programs, operation of stations, lines, depreciation, and so on. This information is available for the years ending the 31st March, 1936, 1937, 1938, and for the actual nine months ending December 31st 1938. I do not wish to take up this time by reading it but I should like to be able to have it placed on the record so that it may be available to you. I think you will find it useful. I would ask that it might be taken as read. Is that satisfactory, Mr. Chairman?

The CHAIRMAN: That will be all right.

CANADIAN BROADCASTING CORPORATION

	Year ended 31 Mar., 1936	Per cent	Year ended 31 Mar., 1937	Per cent	Year ended 31 Mar., 1938	Per cent	Actual 9 months ending Dec. 31, 1938	Per cent
Administration..	\$ 120,606 89	7.57	\$ 125,380 31	8.07	\$ 146,686 26	6.77	\$ 101,789 79	4.81
Programs..	621,247 97	38.99	645,815 98	41.53	1,088,419 61	50.28	1,092,503 53	51.67
Operation of stations.. . .	170,954 32	10.73	206,960 68	13.38	286,762 60	13.24	316,370 12	14.97
Lines..	451,406 28	28.33	434,246 72	27.82	477,902 12	22.07	421,997 43	19.96
Depreciation.. . . . .	....	....	....	....	106,846 09	4.94	154,122 11	7.29
Leases of time on private stations..	229,280 78	14.38	143,037 41	9.20	58,494 05	2.70	12,893 27	.61
Interest on government loan	....	....	....	....	....	....	14,599 31	.69
Totals..	\$1,593,496 24	100.00	\$1,555,421 10	100.00	\$2,165,110 73	100.00	\$2,114,475 56	100.00

The WITNESS: We have been able progressively to employ more Canadian talent. When I gave evidence before you last year I told you that we had employed 2,801 Canadian artists irrespective of members of choirs and organizations. This year we have up to date been able to employ 3,807 artists exclusive of members of organizations. It is estimated that by the end of the current

fiscal year we will have paid Canadian artists a total of \$717,685, as compared with a total of \$610,590 last year. We have of course a long way to go before we reach anything like the standard of programs that we eventually hope to establish. After all, radio is a continually changing thing. As Mr. Murray once said to me, it is a succession of crises and changing phases. No radio can rely on the program it gave last Tuesday; it can only rely on the program it is going to give next Friday. Therefore it is useless for any radio station to attempt to take such satisfaction from what it has done, its main function will be to be steadfast in its determination for the things that it is going to try to do.

After I have finished the General Manager is going to give you a picture of progress which has been made, but in the meantime, perhaps I may be allowed to refer to a few of the major achievements. We undertook in October of 1938 to give the fifth world concert which was broadcast by the International Association of Geneva to 24 countries. In February of 1939 we used our broadcasting facilities to salute the World's Fair, I think the program was well done. We gave special service during the great international crisis, and during that two week period we had 83 special broadcasts.

Probably the most ambitious CBC venture of the period under consideration was the series of Shakespearean broadcasts, which were at least experimental, and I think in the main were successful. We received 548 letters commending this series. They came from individual people, from study groups and from Shakespearean societies.

In addition to this series, the drama department gave employment to 75 different Canadian actors, 15 vocalists and 50 different musicians. We have just instituted a drama contest the results of which will be announced on May 1st. So far 190 dramas have been received from all parts of Canada.

We have been able to bring to listeners for the first time, regular broadcasts of leading Canadian symphony orchestras. The Toronto Promenade symphony orchestra gave a series of 24 concerts, which were heard in the United States on the network of the National Broadcasting Company.

At present, the Toronto symphony orchestra is giving a series of 20 weekly broadcasts and from Montreal, two orchestras are giving another series of twenty broadcasts. Symphony orchestras in Vancouver, Calgary and Regina have broadcast concerts. The Hart House string quartet is now beginning a new series of eight concerts.

We have been interested in and propose to develop in all regions a farm and home hour especially designed for rural listeners.

Some Hon. MEMBERS: Hear, hear.

The WITNESS: These programs will include weather reports, farm produce market reports, topical discussions and talks on agriculture, and actuality broadcasts from experimental farms, ploughing matches, rural fairs, and music which the farmer likes.

We have tried to encourage the establishment of a number of listening groups formed by co-operative effort; several listeners help one another to make the most of civilization's latest acquisition in this way. (In case you don't recognize the phrase—civilization's latest acquisition is a circumlocution for radio).

We have been able to extend our religious broadcasting on a broader and better basis. We have provided free network time on Sundays for devotional programs. These programs are arranged in consultation with the National Religious Advisory Council.

I would like to make one announcement, and this is at Mr. Murray's request, which I think may interest you, it has to do with the forthcoming royal visit. For some time past the CBC programs officials and technicians have been at work on the broadcasting arrangements for the royal visit, based upon the

[Mr. Leonard W. Brockington, K.C.]

itinerary of Their Majesties in Canada. CBC commentators will be on board HMCS *Saguenay* when she meets HMS *Repulse* in Canadian waters off the coast of Newfoundland on May 13. The commentator will be a member of the CBC staff, formerly in the royal navy.

In order to handle the broadcasting of the royal visit, the Special Events department will be divided into two separate groups. When one group is in Quebec, covering the arrival, the other will be in Montreal making arrangements. The same method will be followed right across Canada and back again. The CBC will also have a commentator broadcast a summary of the day's activities each evening. These will be relayed to the British Broadcasting Corporation and throughout the Empire.

Now, Mr. Chairman, I wish to deal at some considerable length with the following matters: television, facsimile, short-wave, network policy of the Canadian Broadcasting Corporation; and particularly its policy with reference to these new inventions. Do you wish me to start now, or would you rather I continue in the morning? I won't be able to finish. You said that you would like to adjourn about 12.30.

The CHAIRMAN: How long would it take?

The WITNESS: I could give you television in about ten minutes.

The CHAIRMAN: All right.

The WITNESS: While in New York on private business it was recently my pleasure to be allowed to see the development of television in the United States. Since I last addressed the committee great advances have been made in two developments which will be subject to regulation by this corporation, and to which this corporation will have to give consideration at some stage—either we or our successors, whoever may be making the decisions—and those decisions will have a far-reaching effect, we submit, on the life of the Dominion of Canada. Now, television has in recent months become a subject of intense popular interest. In a limited technical sense, it can be said that television "has arrived." In a broader sense, there are many serious technical and financial problems which will have to be solved before television will occupy the place which we hope to see it possess.

The television signal is limited to the visible horizon. Thus, a television transmitter can radiate only within a limited area, the radius of satisfactory service being about 30 miles. Within this restricted area, the picture produced is good in quality.

There is the further difficulty that, at present, television cannot be carried from point to point on wire lines in a manner similar to that in which our present broadcast networks function. This is due to the prohibitive cost of the special coaxial cable required. Accordingly, it would not be feasible to set up a television network. Engineering progress may, of course, make it possible to transmit more cheaply, either in the near or somewhat distant future. It may be of interest to know that there is an experimental coaxial cable installation between New York and Philadelphia and it is understood that one is being made between London and Birmingham.

The two factors which I have just mentioned combine to limit the present possibilities of television in terms of national or even regional service. The television transmitter covers only a very restricted territory. Individual television transmitters cannot be linked together in a network at anything approaching economical cost. Thus, national coverage in television could be achieved only by the separate operation of an immense number of individual transmitters, each serving only a very small area.

Attention has recently been directed in the press to a BBC telecast picked up at Long Island by the NBC. This can only be described as in the nature of a "freak transmission." Whatever the explanation of this phenomenon, it can-

not be interpreted at present as anything other than an amazing exception. I might mention, however, that one of the BBC officials at present in Canada asked me to find out if the CBC would install in Western Canada a television receiving set, because it was the belief of engineers that perhaps there was something more than merely "freak transmission" to this extraordinary distance. Such machines would cost three or four hundred dollars. I said I would take up with Mr. Murray and Dr. Frigon the possibility of installing a set in the far West to see if it is possible this year to pick up any signals from England.

Standards of transmitting and receiving equipment are still in a state of experimental development. It may be said, however, that the cost of one unit of television transmitters and incidental equipment, apart from buildings and antenna, would be in the vicinity of half a million dollars. Household receiving sets are on the market in London and to a lesser degree in New York, in the latter ranging in price from \$200 to \$700. It is estimated that program production costs would average \$4,000 per hour. Unless moving picture film can be made available cheaply for use as television program material, the cost of supplying daily different programs with live talent will be highly expensive. It will be seen that, even in terms of giving a service in one or two of the great metropolitan centres, television would be at present a formidable financial enterprise. Taking into account the high costs, both of equipment and of production, and the limited scope of television in its present stage, it is safe to say that it is not economically feasible in Canada at the moment.

I understand, for instance, that the sale of television sets in Great Britain has been very disappointing. On the other hand, the vice-president of the National Broadcasting Corporation told me in New York the other day after I had looked at the televising of one of the films, "The March of Time," that in his view at the present time, and in the view of his company, television probably constituted the greatest advertising and propaganda medium in the world. The picture I saw, for instance, was a picture to build up Mr. Roosevelt, in which you saw him delivering his address and in which interviews were had with taxicab drivers, workers in factories, and people of that kind throughout the capital, saying what they thought of Mr. Roosevelt. I must say that, sitting in the darkness of the room, seeing the features of that mobile face and listening to all the delightful accents of his voice, the whole picture did seem to me to be one of strong propaganda for Mr. Roosevelt.

So far as the board of governors of the Canadian Broadcasting Corporation is concerned, its present policy is not to alienate from the public domain any broadcasting rights in television to privately-owned stations or other profit making concerns.

I am very sorry that in the annual report the attitude on television was very badly worded. It was really an extract from a motion that was passed some two years ago. At that time all the patents in Canada for television were held under licence by the Canadian Pacific Railway. There were, I think, some tentative applications for licences, and all that we were anxious to provide for was that there should be no incorporation of subsidiary companies in connection with television. And we passed that resolution in those terms having regard only to the erection of broadcasting television stations. Unfortunately, it has been misinterpreted by some people, particularly in Western Canada, as though we intended to prevent scientific research. Of course, we had no such intention, but rather to give the greatest possible encouragement to scientific research as long as it does not involve a franchise for broadcasting television. The Corporation does not intend to prevent scientific research.

Nothing could be more desirable than that research should lead to ways of reducing the cost of television, either by changes in existing methods or by the discovery of some wholly new and revolutionary principle. It is of course necessary, however, in the public interest, to prevent a wrong type of exploitation

taking place under the guise of experimentation. The American and British investing public have already suffered severely because of premature and inadequate exploitation of this great new medium. It is obviously desirable to prevent repetition of that experience in Canada.

The CBC is fully alive to the desirability of providing for the Canadian public a television service as soon as the necessary expenditures come within the bounds of the practicable. The engineering officers of the corporation are constantly in touch with developments in Great Britain and the United States, and if I rightly interpret the advice of the BBC authorities and of the American authorities it is briefly this: they have been forced into building expenditures perhaps somewhat in advance of the economic and practical feasibility of the enterprise of television. Their advice to us, and it is advice which I for one and I think all my fellow governors wish to take, is this: Wait; Canada is in a favourable position; share the results of our experience, but do not be so foolish as to try to share the cost of our experiments. I think that is good advice for us to follow.

The CHAIRMAN: Gentlemen, some of the members of the committee have a very important engagement at 12.45. I think it is only right that we should adjourn now and give them the opportunity of keeping their engagement.

Is it the wish of the committee that we should adjourn now and meet to-morrow?

Mr. MARTIN: Carried.

Hon. Mr. LAWSON: At what time to-morrow, 11 o'clock?

Mr. SLAGHT: Mr. Chairman, I do not wish to seem over insistent, but I should like to feel that we have the complete regulations. Perhaps I misunderstood Mr. Brockington, and if I did he can correct me. He indicated, as I thought, that we have not yet in the green-backed book and the blue-covered annual report the complete regulations.

The WITNESS: What I meant was all the regulations published. You understand there are regulations affecting other people. They are there. There are internal regulations that we make concerning our own conduct. Those are obviously not printed. But all the regulations of the CBC are in that book. You are probably referring by anticipation to the question which was recently a matter of controversy in this province and elsewhere. I shall explain the situation with reference to that when I give my evidence to-morrow.

Mr. SLAGHT: Yes, but what I should like to have are any regulations which deal with matters of policy. If I understand we have them all, then we have them all; if we have not all the regulations which are in writing and adopted by the board dealing with matters of policy, I should like to have those.

The WITNESS: All right. I shall enquire of Mr. Murray and find out exactly what there is available.

Mr. SLAGHT: Thank you. There is just one other question, Mr. Chairman. On the matter of the minutes of meetings of the commission, it seems to me that they should be available to this committee so that when we come to deal with specific matters that arise we may have the benefit of the written record made of the business of the commission as recorded in their minute books officially and be able to learn of their official acts as recorded in the minutes.

Hon. Mr. LAWSON: Hear, hear.

Mr. SLAGHT: I know of no objection to that. I fancy the chairman has no objection to these being available to the committee, not with a view of going all through them or looking for criticism, but there may be matters of importance which are recorded in resolutions which we ought to have.

The CHAIRMAN: Of course, as far as the chairman is concerned, Mr. Slaght, he is in the hands of the members of the committee. However, if you wish to make a motion to that effect, you may do so. The committee took the stand last year that the minutes of the Broadcasting Corporation should not be produced.

Mr. FACTOR: So far as they affected conflicting interests between private broadcasting and national broadcasting. Any records of minutes which affect matters of policy ought to be the property of the committee.

Hon. Mr. LAWSON: It was on a matter of policy I asked for them last year, Mr. Chairman, if you will consult the records.

The CHAIRMAN: I see your name there.

Mr. SLAGHT: I was not on the committee last year and I am therefore not familiar with what transpired. It does not seem to me that there could be any objection to the recorded minutes of the commission being available to this committee which is asked by parliament to take up all matters pertaining to the conduct of the commission. How we can intelligently do that if the minute books are not made available to us, I fail to see.

Mr. ISNOR: Mr. Chairman, you mentioned an important engagement which some of the members wished to keep, and I think there was a motion, more or less agreed to, that we should adjourn.

I remember the discussion last year. There was considerable difference of opinion on the matter and, if I remember rightly, it came to a vote. It was decided more or less on statements made by the minister in regard to the manner in which the CBC operates. I think it is too important at the present moment to decide in the short space of time at our disposal. I would suggest, therefore, that we allow the question raised by Mr. Slaght to stand until our next meeting.

The CHAIRMAN: I really think, Mr. Slaght, that there is going to be quite a discussion on your request. As I mentioned before, these gentlemen have an appointment at 12.45—

Mr. SLAGHT: Oh, surely. I just wanted ultimately to accomplish that.

The CHAIRMAN: Then we shall adjourn until to-morrow at 11 o'clock a.m.

(At 12.45 the committee adjourned until 11 a.m. Friday, March 3, 1939.)

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Canada Radio Broadcasting, Inc.
Committee on

SESSION 1939

HOUSE OF COMMONS



SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

FRIDAY, MARCH 3, 1939

WITNESS:

Mr. Leonard W. Brockington, K.C., Chairman, Canadian Broadcasting Corporation.

OTTAWA
J. O. PATENAUME, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

MINUTES OF PROCEEDINGS

FRIDAY, March 3, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bouchard, Dupuis, Hamilton, Héon, Isnor, Johnston (*Bow River*), Lawson, MacKenzie (*Neepawa*), Martin, Patterson, Pottier, Slaght, Thompson, Turgeon, Woodsworth—(16).

In attendance:

Mr. Leonard W. Brockington, K.C., Winnipeg, Chairman, Board of Governors, Canadian Broadcasting Corporation;

Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;

Dr. Frigon, Assistant General Manager, Canadian Broadcasting Corporation.

Mr. Brockington, K.C., recalled, then took the witness stand and continued with a résumé of the work of the Board of Governors of the Canadian Broadcasting Corporation.

The Committee adjourned at 12.45 o'clock, p.m., to meet again at 11 o'clock, a.m., on Tuesday, March 7th, when Mr. Brockington will continue his evidence on the policies of the Canadian Broadcasting Corporation.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

OTTAWA, March 3, 1939.

The special committee on radio broadcasting met at 11 a.m. The chairman, Mr. A. L. Beaubien, presided.

Gentlemen, as Mr. Brockington did not finish his outline yesterday, is it the pleasure of the committee that he should proceed now?

Hon. Mr. LAWSON: Mr. Chairman, before Mr. Brockington proceeds, in order to maintain continuity because he was discussing television yesterday, I assume, Mr. Brockington, that all you had to say yesterday with respect to television relates to wireless television, not to wired television?

L. W. BROCKINGTON, K.C., Chairman of the Board of Governors, recalled.

The WITNESS: May I answer that question at the end? I should like to look up what I said. To some extent I gave information from a memorandum prepared by technical experts, and I should like to check my own memory, sir.

Mr. Chairman and gentlemen, when you adjourned yesterday I had just surveyed, as far as I was able to do in the brief time at my disposal, the present position with respect to television. I think I indicated that it was at the moment largely in an experimental stage, and also that it was in a very expensive stage; that the policy of the Canadian Broadcasting Corporation, while doing nothing to impede scientific research, was to retain for the state, at the moment at least and probably always, the franchise for television. I also stated yesterday that after consultation with the BBC on a former occasion and with officials of American radio stations on a recent occasion, we have felt it was the part of wisdom for Canada, enjoying as it does a favourable position between two rich English-speaking civilizations, to found its policy for the moment upon the determination to reap the results of the experience of the United States and of England rather than to share the costs of their experiments.

I now propose to deal with facsimile. Facsimile may be briefly described as the transmission by means of radio of any printed matter, either reading or pictorial in form. A transmitter, known as a "scanner" can be installed in the ordinary medium-wave radio station. This scanner, as far as I understand it,—I just saw one the other day in New York—is an apparatus by which reading matter, photographs, pictures, and so on, are broadcast by means of light. The waves radiated by the scanner are received through a special device attached to the ordinary household radio set which prints a small size newspaper with photographs as well as reading matter. The apparatus looks a little like a small typewriting machine, and it has pens and ink and special paper. The transmission of facsimile cannot take place over the station while it is broadcasting sound, but the newspaper can be broadcast after the station ceases its regular sound broadcast. Unlike television, facsimile is capable of being transmitted over networks. When I was in the United States the other day I was told that they had just successfully concluded an experiment by which facsimile broadcasting had been completed over a network of five thousand miles. By giving the facsimile service in the early morning hours on existing sound transmitters, the service areas would be identical with those now obtained for regular sound programs. A small number of broadcast stations in the United States,

I think belonging to newspapers, have been licensed to transmit facsimile experimentally on their regular sound frequencies during the off-night hours. I have been describing the result of the transmission of facsimile as a newspaper. I think perhaps that is not quite a correct description.

Again, unlike television, the costs involved in facsimile are quite moderate. Naturally, at this stage, there is no precise information as to costs. The figure which is mentioned for the facsimile scanner, required for the transmitter, is in the order of \$3,000 to \$4,000 per unit, although one of the inventors whom I met in New York told me they were saleable at the present time for \$1,500. The facsimile receiving attachment for ordinary radio sets ranges from \$25 to \$250, depending on the type of system used. At the present time I believe they are selling in the United States largely by way of novelty at about \$75. I learned when I was there that the Crossley Radio Corporation were manufacturing some hundreds of thousands of sets which would sell at a figure considerably less. So far as the problem of costs is concerned, although the present estimate of annual upkeep is about \$120, facsimile would appear, at least from the broadcasting point of view and from a limited receiving point of view, to be a practical and imminent development.

In the United States at present, there are at least three facsimile systems which have been developed for broadcast use:—

The Young system (RCA).

The Hogan system.

The Finch system.

These three systems, as far as can be learned, are essentially the same in principles of operation, their patentable differences being related mostly to details. Certain mechanical features, however, make considerable difference in cost of operation and in the speed or detail of the record.

An important technical problem with respect to network facsimile broadcasting in Canada is created by the fact that 25 cycle power is used in some parts of Ontario while 60 cycle power is used in Quebec. This may have a decisive bearing on the merits of respective systems as applied to Canadian needs. And, of course, as always when there are conflicting patents, there is the need, even in the United States, of consolidating and standardizing equipment. As far as I can find out from inquiry, any printed matter can be broadcast by the method of facsimile through any radio station, that is, where sound can be broadcast on a medium wave. I believe scientists are experimenting and expect to extend the broadcasting of facsimile to super-high wave. Whether it can be done on short-wave is a matter that is not yet determined. Theoretically an editorial of the New York Times can be printed in Grande Prairie the same morning it is distributed in New York. What the effect will be of such broadcasting will be on newspapers and propaganda, I cannot say at the moment; it is too early to judge.

We have thought it advisable to see if it is possible to give this committee a demonstration of what facsimile is, and while there has been some hitch as regards the date we have made tentative arrangements to bring one of the inventors to Ottawa to install a scanner in station CBO. He will put in this room a receiving set and, either visually in your presence if it can be arranged or, if not, nocturnally during your absence, we will produce for you a facsimile sheet so that you may what it is.

When I end my presentation this morning I shall endeavour to visualize for you the meaning in terms of national interest of some of these new developments, such as facsimile and television. We have made this our policy, that we will not alienate to any private broadcasting interest any rights with regard to facsimile. We propose, ourselves, as soon as feasible, to use it in whatever way it can be used for the advancement of the interests of the people of Canada.

[Mr. Leonard W. Brockington, K.C.]

We have one suggested experimental use at the beginning, if receiving sets are available here (perhaps in conjunction with the Canadian newspapers), to give some limited news service we propose to broadcast both in English and French a sort of Canadian "Listener," along the lines of the BBC "Listener" where we can give an analysis of programs, stories of the opera and a number of things of interest to the people in Canada—articles, reproduction of speeches which have been acceptable over the air, and a number of other cultural, educational and national features. One fact is certain, that we propose as soon as possible to make some experiments. The essential policy remains that we do not propose to alienate any rights to private broadcasting interests.

I come now, gentlemen, to short-wave. If you will remember, when I appeared before you last year I made a plea, which was accepted by this committee, to the government of Canada for the construction of a short-wave station for national purposes, the station to be operated by the Canadian Broadcasting Corporation, the cost to be borne, for obvious reasons, by the state.

During the past year we have been obliged seriously to consider again the position with regard to short-wave. It is felt that developments in this field should be controlled in the public interest.

With respect to short-wave, the Corporation has laid down the policy of recommending no new licences pending clarification of its own plans for a short-wave system. The Corporation's technical plan envisages the construction of a high-power short-wave system which would serve to facilitate the exchange of programs with Great Britain, France and other countries and accordingly act as a powerful medium of national advertisement. I may say that Canada, of all the great countries in the world, is the one country that is most seriously behind in short-wave development.

It will be recalled that the committee of last year adopted our recommendation. In recent months the Corporation has emphasized to the government the difficulties under which it labours in the absence of such an undertaking. Those difficulties occur in the matter of program exchange; they have arisen with peculiar emphasis in connection with the King's visit. We have taken such precautions as are within our powers to safeguard Canada's right to short-wave channels.

You may remember also that when I discussed this matter last year I emphasized, first of all, the possibility of international good-will afforded to a country whose national fabric is drawn from so many strands, and where one of the greatest experiments of reconciliation between nations is taking place under our very eyes. I felt, too, and I think I emphasized, that the great strength of Canadian civilization, namely, the equal partnership of two great races, gave us a unique opportunity to interpret not only Anglo-Saxon civilization to the world but also Latin civilization. I felt, too, that from the purely commercial point of view short-wave stations would give us a most excellent opportunity of advertising the sale of Canadian goods. I have recently been a member of the so-called Bracken wheat committee which is examining the possibility of regaining lost markets. At every meeting which I have attended somebody has suggested the possibility of the use of Canadian short-wave international radio for pushing the sale of Canadian wheat and flour in the advancement of the legitimate and paramount trade interests of this country. It has so many advantages that it should again be urged upon the government by this committee in the hope that something will be done.

When I made that deviation I was just saying that the Corporation has taken such precautions as are within its power to safeguard Canada's right to short-wave channels. Through the Department of Transport it reserved with the Union Internationale de Radio Diffusion at Berne, Switzerland, suitable short-wave frequencies in the 6, 9, 11, 15, 17, 21 and 25 megacycle bands.

Although these reservations stand at the present time in the name of Canada, two or three frequencies have been taken over by other countries for their own use. It is becoming increasingly clear that the only way in which Canada can ensure for herself frequencies on which to operate a short-wave station is actually to occupy the frequencies by operating a high-power transmitter on them. Canada is not concerned, obviously, in issuing propaganda to the rest of the world. But we have a legitimate concern in preserving a proper, dignified, national place for ourselves in the field of short-wave broadcasting. With the increasing use of short-wave by all nations, we face the alternative of having to take action within the near future or be shut out of the field. It would seem, therefore, that Canada should establish a station as soon as possible.

For the purposes of record, I will file with the clerk of the committee, if I may, a list of the short-wave frequencies registered at Berne for the CBC. I file that and call your attention to the melancholy note at the bottom:—

Short wave frequencies registered at Berne for CBC—6060 Kcs.
6160 Kcs. 9630 Kcs. 11705 Kcs. 11810 Kcs. 15190 Kcs. 17810 Kcs.
21710 Kcs. 25620 Kcs.

NOTE: 15190 now being used by O E R 1 50 Kw., a new German station in Austria.

That is the handwriting on the wall.

Now, gentlemen, I am next going to deal with a matter that has been the subject of comment in recent weeks. First of all, I am going to deal generally with the regulations of the Canadian Broadcasting Corporation as they appear in these little green books which were circulated yesterday. I hope you all have copies of the book because I propose to read most of the regulations.

With reference to regulations in general, I want to say at the outset that we do not like making regulations. Our duty is to make regulations. We have, therefore, made them, first of all, as simple as possible; secondly, as few as possible, and thirdly, as fair as possible.

If you will look at the size of this book which you either have in your hands or had yesterday, I think you will agree that it is an amazingly small volume intended to cover by regulation so vast, complicated and important a business.

When the rules were made, they were made after the fullest discussion over a period of months with private broadcasting interests. They are, I believe, with one or two slight exceptions, wholly acceptable to private broadcasting interests which they purport to regulate.

The instructions given to the general manager in connection with these rules were just two. The first was to see that they were lived up to, and, secondly, to make a note of any injustice, any inequality, any absurdity and any undue oppression that arose either from their existence or their application, in the hope and with the intention that eventually inequalities, injustices, undue oppressions and absurdities would be removed.

We are meeting the operators of private broadcasting stations in Montreal on the 20th March. On that occasion we will survey the operation of the effect of these regulations in an endeavour to meet any legitimate criticism, and I believe criticism is practically non-existent.

When I come to deal with a recent event which is perhaps in the minds of a number of you I should like you to remember what I am about to say. Radio has no established technique. Radio is a new thing. Radio has not been dealing with the public or with private individuals for a period of one hundred years, as have the newspapers. We have, therefore, a changing picture. We have few established precedents; we have practically none. Radio is empirical. Our regulations are empirical; they are based upon experiments, and experience itself is nothing but the result of a number of experiments. There of

course have been many inconsistencies. Some of the things that we favoured twelve months ago we would favour of to-day. Some of the things we did twenty-four months ago we would not think of doing to-day, for the simple reason that the experiments which we made have strengthened our sense of experience and have helped to chart the course for the future.

This board of governors is a body, representative of all classes and all parts of the country. They have no desire other than the desire to be fair to all people. I am going to ask you when you read these regulations to answer the question for yourselves which I now put to you: Are these regulations impracticable? Are they unfair? Are there too many regulations? Are they too onerous?

If you will turn to page 1 of the book, gentlemen, you will find there the power of the corporation to make regulations. I do not need to read that. It is already in the Act and I am sure you know most of it.

Section one is a definition of "regulations."

Section two provides that the regulations shall apply to all stations in Canada.

I will read section three:—

3. (1) Each station shall maintain a program log in a form acceptable to the corporation and shall cause entries to be made therein as follows:—

- (a) date, call letters, location, frequency;
- (b) the time at which each station identification announcement is made;
- (c) the title and brief description of each program broadcast, with the time of the beginning and ending so as to give a continuous record of each day's broadcast. If a mechanical reproducer is used, that fact shall be noted, together with a statement whether or not announcement thereof was made. In the case of a talk or speech, the name of the speaker and the auspices under which the talk or speech was given shall be entered. If the speech is made by a political candidate or on behalf of a political candidate or political party, the political affiliation of the candidate or party shall also be entered."
- (d) the duration of each spot or other similar announcement and the broadcast hour during which it was transmitted.
- (e) the name of the sponsor of any program or announcement for which the station is paid.

These are all necessary precautions both for the station and for the CBC itself; because as you get into the complicated business of broadcasting you find that post mortems become increasingly frequent.

(2) Key letters or abbreviations may be used if the explanation of each is plainly given in the log. The logs shall be produced for the inspection of the representatives of the Corporation upon the request of such representatives.

(3) Each station shall keep on file a copy of:—

- (a) the continuity used for any program;
- (b) all programs or other announcements containing advertising matter;
- (c) the manuscript of addresses or talks.

The reason for that regulation is obvious. We do not pass in advance on the contents of them. Operators have to keep copies because, after all, there are such things as libel and slander still abroad in the world.

(5) Such records shall be retained by the station for a period of one year and shall be open for inspection by representatives of the Corporation upon the request of such representatives.

4. The time mentioned in our program logs and contracts used in connection with broadcasting shall be local standard time (or local daylight-saving time if that is in force), unless otherwise specified or agreed.

We do not need to bother about that.

5. Each station shall, each week, file with the Corporation in a form acceptable to the Corporation an advance copy of its program schedule for the following week, showing the exact hours and how they are to be occupied each day.

I do not think we need to bother about that.

Section six is with regard to call letters. Then we come to Section 7.

7. No one shall broadcast

- (a) anything contrary to law;
- (b) the actual proceeding at any trial in a Canadian Court;
- (c) abusive comment on any race, religion or creed;

That, I may say, is a distinctive Canadian regulation and in our considered opinion has contributed quite a great deal towards good feeling in this country. There was one occasion when there was some danger of a breach between religious faiths because of the late struggle in Spain. Mr. Murray and myself took advantage of our presence together on one occasion to call on and visit the leaders of the religious organizations of Canada, including the heads of the Presbyterian Church, the United Church and the Church of England, and the Roman Catholic hierarchy. We received from them the greatest encouragement in the work that we have tried to do: They agreed that radio shall be used for reconciliation and healing and for the insistence on the eternal truths that unite us rather than on the transitory differences that divide us. I should like to pay tribute here to all the members of the religious creeds in Canada. They have given us the greatest possible assistance in enforcing that most reasonable, charitable and, I say, strictly Canadian regulation. Continuing, number 7:—

7. No one shall broadcast

- (d) obscene, indecent or profane language;
- (e) malicious, scandalous, or defamatory matter;
- (f) advertising matter containing false or deceptive statements;
- (g) false or misleading news;
- (h) upon the subject of birth control;
- (i) upon the subject of venereal disease, or other subjects relating to public health which the Corporation may from time to time designate, unless such subjects be presented in a manner and at a time approved by the General Manager as appropriate to the medium of broadcasting;

I may say that I think we have been a little stupid in our application of that regulation number (i). There was a recent occasion in British Columbia where the Corporation, acting in perfectly good faith, on the advice of the health authorities, suggested some changes in a broadcast. Mr. Murray, I know, on second thought agrees with me that the changes we asked for were perhaps not necessary; and I have his assurance that we will use a more tolerant view towards that kind of broadcast in future, provided it is done under proper auspices at an appropriate time and in an appropriate place. I do draw your

attention to the footnote on section 7, because I think that perhaps is one of the most admirable paragraphs that has ever been drafted in connection with broadcasting in Canada. It was drafted by Mr. Gladstone Murray; and I believe it explains, as no other paragraph I know of explains, our position in connection with these problems. It is as follows:—

It is not the intention of the Corporation to restrict freedom of speech nor the fair presentation of controversial material. On the contrary, the policy of the Corporation is to encourage the fair presentation of controversial questions. At the same time, it should be realized that the message of broadcasting is received at the fireside in the relatively unguarded atmosphere of the home, reaching old and young alike. Certain subjects, while meriting discussion elsewhere in the public interest are not necessarily suitable for this intimate medium.

Continuing with the regulation:—

- (j) (i) programs presenting a person who claims supernatural or psychic powers or a fortune-teller, character analyst, crystal-gazer or the like, or programs which lead or may lead the listening public to believe that the person presented claims to possess or possesses supernatural or psychic powers or is or claims to be a fortune-teller, character analyst, crystal-gazer or the like.
- (ii) programs in which a person answers or solves or purports to answer or solve questions or problems submitted by listeners or members of the public unless such programs prior to being broadcast shall have been approved in writing by a representative of the Corporation.

That second section means, of course, that if there is a legitimate program like "Information, Please" from the United States, it is all right. But if you are to be told where to find hidden treasure, it is not all right.

By Mr. Bouchard:

Q. Whom do you call the representatives of the corporation?—A. I think that is dealt with in the interpretation section.

- (f) "representatives of the Corporation" means the General Manager of the Corporation, the Assistant General Manager of the Corporation or persons authorized in writing by the General Manager of the Corporation.

The General Manager and his assistant cannot be everywhere. We have to have representatives at various points.

8. (1) Political broadcasts are governed by subsections (3), (4) and (5) of section 22 of the Canadian Broadcasting Act, 1936, which read as follows:—

- (3) Dramatized political broadcasts are prohibited.
- (4) The names of the sponsor or sponsors—

I shall not take the time to read the remainder of that.

(2) Each station shall allocate time for political broadcasts as fairly as possible between the different parties or candidates desiring to purchase or obtain time for such broadcasts.

I really think we would often like more definite guidance on these subjects. Private stations are continually passing problems back to us to solve. I do not know what the best procedure is. I think perhaps this committee might

bring in some recommendation as to what it thinks is the best procedure in political broadcasting. All we want to do is what is fair to everybody. Continuing:—

9. (1) The advertising content of any program shall not exceed in time ten per cent of any program period.
- (2) Notwithstanding the provisions of subsection (1) any station shall upon instruction in writing from the corporation reduce the total daily advertising content of its program if the said total daily advertising content in the opinion of the corporation occupies an undue proportion of the daily broadcast time.

We have never yet had to exercise that rule.

- (3) Upon notice in writing from the corporation any station shall change the quality or nature of its advertising broadcasts.

That is if the thing is unduly offensive, and so on. Now we come to No. 10 which provides that under certain conditions stations may be permitted to use mechanical reproductions until but not beyond the 31st December, 1937. That is past and gone. Then we come to 11:—

11. (1) In any program no one shall advertise
 - (a) any act or thing prohibited by law;
 - (b) the prices of goods or services, except the prices of publications auxiliary to the information services of the corporation.

That is not particularly popular with the private stations. Some of them do not mind it. It is an inheritance of the rules which were made at the beginning of broadcasting in this country. It has merit in that it prevents, perhaps, the dishonest use of the radio to advertise an alleged bargain. I have no doubt that it is popular with the newspapers if not with the radio stations. In any event, I am never much impressed by the arguments for it or by the arguments against it. Continuing with section 11, in any program no one shall advertise:—

- (c) any insurance corporation not registered to do business in Canada;
- (d) bonds, shares, or other securities or mining or oil properties or royalties or other interests in mining or oil properties other than the securities of the Dominion or Provincial governments or municipalities or other public authorities, provided nothing herein shall prevent anyone from sponsoring a program giving quotations of market prices without comment;
- (e) spirituous liquors;
- (f) wine and beer in any province of Canada . . .

There were some special regulations made there to allow wine and beer advertising to be continued in the province of Quebec, inasmuch as there it was not definitely prohibited by provincial law and had been continued by local practice. I may say, however, that that regulation will be applicable to the whole of Canada after the end of March, I think the date is.

12. (1) "Spot" announcements shall not exceed two minutes for each broadcasting hour, subject always to the provisions of subsection (2) of this regulation.
- (2) No "spot" announcement shall be broadcast on week-days between 7.30 p.m. and 11 p.m. . . .

And so on.

- (3) Subsections (1) and (2) of this regulation shall not apply to time signals or weather reports. . . .

[Mr. Leonard W. Brockington, K.C.]

Then we come to 13. I draw your special attention to number 13. I do not propose to read it all here. I do not think I need to. It provides for the supervision of the advertising continuity of foods and drugs, and proprietary and patent medicines. We consider that those regulations are most highly important, in order that the public may not be misled about drugs and to avoid the making of exaggerated claims for patent medicines. I may say that the American Medical Journal took these regulations, printed them in their journal and offered them as a model. Then we come to 14.

14. Stations shall not transmit any news or information of any kind published in any newspaper or obtained, collected, collated, . . .

and so on. I read you that yesterday when I was dealing with the Canadian Press. Then we come to 15.

15. Representatives of the Corporation may require the production of material to be broadcast before any broadcast is arranged to take place.

I think we very rarely do that, if we ever have. It certainly is not often. The next regulation is No. 16.

16. Time reserved for the broadcasting of corporation programs shall be used only for such programs unless approval to the contrary has been received in writing from the corporation in each specific case.

17. Stations shall upon request of the corporation give right of way to such corporation or other programs as the corporation shall designate. In such event neither the station nor the corporation shall incur any liability for compensation or damages.

18. No station shall "pick up" and re-broadcast any program unless permission in writing has first been obtained from the corporation.

The next section, number 19, is one of those to which the private stations offer objections. I may say that we also think that the regulation is out-of-date and that it should be changed. We are prepared to make substantial concessions in that regulation, based upon our experience, when we meet the private broadcasting stations on the 20th of this month. In other words, we are proposing to allow some flexibility for the use of high-class transcriptions—gramophone records—particularly in districts where it is advisable to have alternative programs and where local talent is obviously unobtainable for a period of time. Then we come to number 20.

20. Unless permission in writing is first obtained from the corporation.

(a) no station shall continue to be a part or shall form a part of a chain or network originating outside of Canada;

(b) no chain or network of two or more stations shall continue to be operated within Canada or shall be set up or operated within Canada;

I am going to leave that unread for the moment, because I shall be dealing shortly with network programs; then I shall have occasion to read it. Coming to 21, this section is one providing that every station shall file with the corporation its contracts and shall put up our regulations. Section 22 provides for penalties on the violation of the regulations. I may say that any notice that has been given to a station has had a salutary effect, immediately causing the observance of the regulations; and we have had no occasion throughout to suspend or recommend suspension of anybody. Section 23 deals with the date. Those, gentlemen, are the regulations. I ask you to ask yourselves the following questions in regard to them: Are there too many? Are they impracticable? Are they onerous? I think I can confidently predict what your answer will be.

Before I come to the question of freedom of speech on the air and controversial broadcasts, I am just going to read for the purpose of the record the general policy of the CBC with reference to its network broadcasts, a policy which has developed out of its duties, its functions and experience and the discussions which were held at the meeting concluded last week. First of all, I shall read extracts from the third and official report of the special parliamentary committee on broadcasting on May 26, 1936:—

We recommend that the corporation be given substantially the powers now enjoyed by the British Broadcasting Corporation and, in addition, that it be given exclusive control over:—

- (1) the character of all programs, political and otherwise, broadcast by private stations, and the advertising content thereof;
- (2) all wire line network used for carrying broadcast programs.

Our act, or rather your act—because you passed it unanimously and we are merely charged with the duty of enforcing it—provides:—

21. No private station shall operate in Canada as a part of a chain or network of stations except with the permission of, and in accordance with the regulations made by the corporation.

22. The corporation may make regulations

- (a) to control the establishment and operation of chains or networks of stations in Canada;

I now read extracts from our regulations for broadcasting stations made under the Canadian Broadcasting Act, 1936. This is the section I just missed when I was reading the regulations, and which I would rather read at this time in order that the record may have proper continuity.

20. Unless permission in writing is first obtained from the Corporation

- (a) no station shall continue to be a part of, shall form a part of, a chain or network originating outside of Canada;
- (b) no chain or network of two or more stations shall continue to be operated within Canada or shall be set up or operated within Canada;
- (c) no station shall continue to be or become an outlet for any station, chain or network existing or originating outside of Canada;
- (d) no station shall continue to be or become an associate station of or with any station, chain or network existing or originating outside of Canada.

I think the reading of at least the first two extracts makes it clear beyond peradventure that parliament meant the Canadian Broadcasting Corporation to be the sole network authority. For some time past the board has found it necessary and has been obliged, in fact, to take notice of the increasing number of non-CBC commercial hook-ups, especially in Quebec and Ontario. Although the permission for such hook-ups must be obtained from the CBC, the general manager, in the absence of clearly defined policy, was not logically in a position to refuse permission. The development, however, was such as to make possible the growth of a vested interest impairing the position of the corporation, contrary to the intention of parliament. That growth was reported to us at our meeting in December. Our instructions to the general manager at that time were to see that there were no extensions of existing networks, to do his best to minimize them, not that they might necessarily remain minimized but in order that we might survey our policy and discuss the situation of net-

works with the private stations when we met them on December 20. There are a number of advantages from national subsidiary or auxiliary networks. I will point out one which has caused me, personally, a great deal of grief, and I am sure this corporation is going to do its best to remedy it at once. On Saturday night at one and the same time there are two programs appealing to different classes in the community, but programs of the highest merit of their kind. At the time when the hockey match is being broadcast, the first hour of Toscanini's NBC concert takes place. I cannot for the life of me see why across Canada at that time we should not be able to furnish a duplicate network, in order that those who wish to hear the hockey match may do so, and that those who want to hear the Toscanini concert may hear it. I think that we owe a duty to our listeners to do that kind of thing; and I may say that it is that kind of thing which is prompting us in the crystallization of network regulations that we propose to make as soon as possible.

As a result of full consideration and discussion by the board, the main lines of network policy have now been determined. The CBC was established as the national authority and intends to maintain that position. It has been decided that, in order to insure effective co-ordination of network broadcasting, to maintain program standards and to provide the listener with contrasted alternative programs and improved listening facilities, all networks shall, in future, be arranged by and through the corporation. This control shall apply also to network programs originating in the United States. This policy will not involve any material increase in commercialism. Neither will it mean a restriction of the legitimate enterprise of private stations. It does mean the establishment and maintenance, in the listeners' interest, of uniformly high standards of network entertainment.

The corporation will, of course, discuss—as I said before—with privately-owned stations the position when it meets them on the 20th of this month.

There are, I suppose, three kinds of programs which we might say originate in Canada. There are the programs of the stations of the Canadian Broadcasting Corporation or those on its main network; there are the programs which may be on what are in reality public networks but are described by us as auxiliary networks, and sometimes erroneously referred to as private networks; and there are the programs which originate on private stations. Personally, I make no essential differentiation in my own mind between the trusteeship that has been imposed upon the Canadian Broadcasting Corporation and the trusteeship that has been imposed upon the owners and operators of private stations. We both occupy the public domain. We both are trustees for those who pay licence fees. It is sometimes forgotten, but I submit that the same trusteeship, to be impartial, not to surrender freedom of speech to the demands of riches, not to attempt to exclude the free expression of all kinds of opinions bears with equal force and cogency upon the operators of private stations, whether they are operating as a unit or in a network that we have set up for them. I believe the same obligations should press upon them as press upon us. Sometimes they forget it. Sometimes perhaps we forget it; but I want to state that first and emphatically as a background for what I am going to say to you.

I am now going to deal with freedom of speech on the air and inferentially, and perhaps specifically, with a recent controversy which has occupied some attention in this province and less attention elsewhere.

First of all I am going to read to you a statement. As the matter of broadcasting speech over the air has been an issue in Canada recently and may be an issue again I should like to offer a few remarks about the attitude of the Corporation on the vexed and topical subject of freedom of speech.

We believe that censorship is undesirable, and perhaps impossible beyond the limits of decency and the minor and necessary prohibitions which we have fixed in our regulations. We have always and shall continue always to take care in the selection of network speakers to see that they are competent to discuss public problems within recognized amenities. We deprecate any tendency on the part of the owners of private stations to allow their own political or social opinions to affect broadcasts from the station which they control. Censorship itself depends on the opinion of an individual possibly no better qualified to express an opinion than the person he censors. We believe radio speaking should be allowed to be forthright, provocative—that is to say provocative of thought—and stimulating. In controversial matters we have tried, and shall try, to allow for the free expression of varied and opposite opinions. Perhaps on occasions enough varieties of opinions have not been expressed. We believe that national problems and international problems should be discussed by Canadian citizens without restriction or fear. It may be that some opinions largely held have remained unvocal. This situation will be remedied.

We are opposed to, and shall resist, any attempt to regiment opinion and to throttle freedom of utterance. We have not the slightest reason to believe that the government is desirous of regimentation. Rather we have every reason to believe that the contrary is true. Until that occasion arises the Corporation, having selected competent commentators and speakers, does not propose to interfere with the right of free expression.

I draw your attention to the next paragraph:—

We are opposed also, and shall always be opposed to any attempt to buy the right on our network for the advancement of personal opinion or propaganda. If opinion sufficiently informed on the lips of an attractive speaker is available, it will be offered by the CBC without remuneration as a contribution to national enlightenment and provocative discussion. The free interchange of opinion is one of the safeguards of our democracy, and we believe we should be false to our trust as custodians of part of the public domain if we did not resist external control and any attempt to place a free air under the domination of the power of wealth.

Now, gentlemen, I read that to the committee last year. That is the statement placed before this committee last year. I want to read the last paragraph again, if I may.

We are opposed also, and shall always be opposed to any attempt to buy the right on our network for the advancement of personal opinion or propaganda. If opinion sufficiently informed on the lips of an attractive speaker is available, it will be offered by the CBC without remuneration as a contribution to national enlightenment and provocative discussion. The free interchange of opinion is one of the safeguards of our democracy, and we believe we should be false to our trust as custodians of part of the public domain if we did not resist external control and any attempt to place a free air under the domination of the power of wealth.

That was the statement I made last year before this committee. I was not cross-examined or questioned on one sentence or one phrase. I believe, and the board believed it, (I wish it had been said better, and maybe some things should be now changed) that it expressed the unanimous opinion of all parties in this committee.

[Mr. Leonard W. Brockington, K.C.]

Hon. Mr. LAWSON: No. I object to this "unanimous opinion of all parties in this committee"—

The WITNESS: With the exception of Mr. Lawson.

Hon. Mr. LAWSON: I beg your pardon. With the exception of Mr. Lawson and one other member.

The WITNESS: With the exception of Mr. Lawson and one other member. I forgot you had voted against the committee's report. I repeat, however, neither Mr. Lawson nor the other gentleman cross-examined me for one minute or one second about any phrase used in that statement. I took it therefore, that it represented, at least, the general opinion of the members of this committee. It was so accepted by the Board of Governors. I do not want to take any credit for any words that were said there because I wish that they had been better said; but I think I might tell you gentlemen that the statement was printed with approval by the *New York Times*. It was put on the air by the *Christian Science Monitor* and mentioned by the *Ottawa Journal* as containing principles which should appeal to every newspaper and every government office in Canada. It may have been unfair, I do not know; I think it was fair.

Mr. DUPUIS: Mr. Chairman, would you permit me to ask Mr. Brockington a question? You said that the CBC had certain regulations and forbids speeches which have to do with personal opinions, yet they are allowed on private stations. Is there not in the by-laws and regulations of the CBC something which permits the board to forbid private stations to put such speakers on the air?

The WITNESS: We have the right to forbid private stations, but we do not exercise it.

Mr. DUPUIS: Take the case of Mr. McCullagh. He was refused by the CBC but a local station allowed the broadcast.

The WITNESS: Would you allow me to deal with that question later? I shall do my best to answer that question as I am coming to it. I had just said that I believed that all operators of radio stations in Canada are charged with the same trusteeship. Now, as it is possible that some of the things that I am about to say will be subject to misinterpretation outside this room, I hope the gentlemen within this room will try to weigh my words as carefully as I shall try to utter them.

In the first place there is no question and never has been any question in anybody's mind, in no governor's mind, nor in the minds of this committee, about the complete propriety of refusing what are called the CBC networks for the purchase of opinions. There have been a few inconsistencies for which, perhaps, there might or might not be an adequate explanation. Our experience has shown us some of our errors. There is no question about the CBC control of private networks. There is no question that at our December meeting when the question was raised by Mr. Murray concerning the increase in networks being made by private stations that instructions were given him to see that their operations were limited, minimized and perhaps prevented.

I first of all want to make this straight admission, and perhaps it will satisfy Mr. Slaght. There is no policy, statement or decision by the CBC which unequivocally forbids the broadcasting of sponsored or unsponsored personal opinions or propaganda on any subsidiary or so-called private network. Secondly, however, there is no policy, statement or decision of the CBC which can be interpreted as permitting such a broadcast in positive terms. Our policy specifically prohibits such broadcasts on our own networks; it especially instructed the manager to restrict broadcasting on private networks. We are charged with the duty of network supervision. It seems to me, therefore, that any ruling of our manager in prohibiting the broadcasting of opinions on so-called auxiliary or private networks was a logical and legitimate extension of the combination of the three factors which I have mentioned.

In my opinion the general manager applied them all with complete propriety. They were logical; they were legitimate; in my belief they were inevitable. If I had been in the general manager's position I would have done exactly the same thing. I would have gone further than that because I would have done my best to see that no indirect violation of a ruling evolved from a proper national policy should have been used to defeat the object of that regulation. In other words I would have used every effort myself to see that electrical transcriptions had not been used.

At the board meeting held last week the action of the general manager was endorsed by a vote of six to one. The one who did not wish to vote for the ruling endorsed in the meeting to which I have referred said he felt there was some misunderstanding perhaps in his mind as to what was done. He himself said there was no question of the prohibition on our own so-called network. He did feel, however, there was some argument against the prohibition on the so-called auxiliary or private networks. We propose not only having endorsed—

Mr. MARTIN: He agreed up to that point with the steps that had been taken?

The WITNESS: Yes; he felt himself—

Mr. MARTIN: He would not go as far as you go?

The WITNESS: No.

Mr. MARTIN: He supported the general manager?

The WITNESS: He supported the general manager, certainly, on the major ruling, and did not wish to support him on the secondary ruling. Perhaps I should say in complete fairness there was one governor who was not present who communicated with me by telephone some days previously. From conversations I had with him over the telephone (unless he had listened as I hope you will listen to the power of the reasons I advanced, and I had succeeded in persuading him), I have reason to believe he would have sided with the minority on the question only of subsidiary networks.

Now, then, the board has discussed this question both before and since. We propose to consider the position of any regulations that have been made in the light of the discussion in this room. We do not propose, however, to recede from the position we have occupied. We propose to make the regulations still more stringent, to prevent if we can the indirect breach of what I shall submit to you in a moment is the proper and the only proper regulation. We will go further. We propose to recommend to the minister the cancellation of private licences held by any person operating any radio station who uses his own personal opinions or political or social philosophy as an excuse to prevent the free expression of other people's opinions or philosophy. I think perhaps logically we should make drastic regulations about private stations—but as the amount of money involved in the purchase of their time is comparatively small, however, and there is a general belief, in which we all agree, that perhaps no matter how imperative it may be to make regulations, sometimes it is advisable to have a little outlet for exceptions to prove the rule.

Now, if the general manager in this interpretation had misinterpreted any policy, which he has not; if he had exercised improper authority, which he has not; if he had given an illegal, illegitimate or illogical interpretation of our policy of what we did and wanted him to do, which he has not, it would have been our duty to reprimand him. We have not reprimanded him; we have not only not reprimanded him, we have supported him one hundred per cent. We propose to assist him by further regulations to carry out the regulation and ruling which were applicable to the recent dispute. If the committee disagrees with what has been done, if they want to bring in any criticism or censure or animadversions with regard to the policy of the Canadian Broadcasting Corporation or the way we interpret it to our general manager, all criticism, all censure and all animadversions should be directed to the

Board of Governors, in the person of myself, and not to the general manager.

I believe, however, and I am going to submit in a moment when I read some extracts and maybe a few arguments, that our policy is the only one that can be supported, because it is the only one that will preserve the essential parts of our inherited freedom. I believe that this policy is not a negation of freedom. I believe it is the only policy that affirms, confirms and protects freedom of speech in Canada.

I believe eventually that the private stations of this country, operating as they do on the regulations which have been tested by private stations elsewhere, will bless us for the firmness with which we have resisted what I conceive to be a perfectly honourable and perfectly public-spirited action but nevertheless an attempt to destroy this regulation.

I am first of all going to read the position of the National Broadcasting Company of the United States.

The National Broadcasting Company since its inception has held to a policy of not selling time for the discussion of controversial issues upon which large groups hold divergent views and solution of which materially affects the life and welfare of the public. Sustaining time is furnished at NBC expense for discussions of such questions by recognized leaders. The company attempts at all times as nearly as possible to give equal representation to opposing sides. Any other method of procedure would give those with the most financial resources a monopoly of radio as a medium of influencing public opinion.

At a meeting of our advisory council held on January 9 the following policies long established by the NBC were re-affirmed.

The National Broadcasting Company does not sell time for religious programs, as this course might result in according a disproportionate representation to those individuals or groups who chance to command the largest purses.

In view of the vast number of religious sects, the company cannot attempt to serve each individually. It cannot of its own choice wisely single out particular individuals to represent special forms of faith. It has accordingly chosen responsible organizations representing the three dominant religious groups in America, i.e., Protestants, Catholics and Jews, to suggest speakers and prepare programs.

Then there are certain other statements about religious matters which I do not think I need read.

During the period of elections only, the company sells time to the official representatives of the major political parties. It does not accept dramatic presentations of political issues, for it is impossible to prevent essential misrepresentation and unfairness when this technique is employed.

In connection with its own sustaining programs, the company attempts at all times as nearly as possible to give equal representation to opposing sides of every controversial question which materially affects the life or welfare of any substantial group. If one side of such an issue is broadcast, this fact does not convey, as a matter of right, an opportunity for the opposing side or individual to be given equal opportunities to reply. But in permitting the first broadcast the NBC has assumed an obligation to the public to present the differing views so that the public may be fully informed on the subject.

It follows the same principle on sponsored programs, where particular opinions on important controversial issues are expressed. In this case the sponsor may be required to yield time to a representative of views opposed to the sponsor's speaker.

Freedom of the air is not to be construed as synonymous with freedom of the press or freedom of speech. Each form of bringing opinion to the public notice has its own characteristics and limitations.

A speaker having been granted time on the air, the National Broadcasting Company does not censor or edit his opinions. It must, however, check for violations of the law and for libelous, slanderous or seditious statements, as the courts have held broadcasters responsible for any damaging statement made over their facilities.

I read you a part of Mr. Lenox Lohr's letter. I have a letter from Mr. Frederic Willis of the Columbia Broadcasting System. The Columbia Broadcasting System does not sell time to individuals or groups for the discussion of controversial public issues such as, for example, taxation, legislation, or regulation. Time for discussion of public issues is allotted free of charge and in accordance with other elements of program balance. By program balance we mean offering to the public all kinds of information, instruction, entertainment as well as the day to day developments and the shifting of public interest in topics available for discussion and the relative importance of each. We limit our advertisers in their messages to the sale of goods, services or promotion of good will for their industry. As an example, we would gladly sell time to a common carrier (railroad, bus or air transport company) for the promotion of travel but would not sell it to them to be used to agitate for new rates or different regulation.

The following are the reasons for refusing to sell time to individuals or groups for discussions of public issues and for allotting time free of charge instead. If time were sold for discussion of controversial issues or for the propagation of the views of individuals or groups, we would necessarily allow a powerful public forum to gravitate almost wholly into the hands of those with the means to buy it. We would in fairness have to sell to all with the ability and inclination to buy at a given moment, thus surrendering all possibility of maintaining well-balanced broadcasting schedules; and such discussions should be kept in balance by editorial judgment.

The sole exception to sale of time to individuals and groups is during election periods when time is sold to parties owing to their need of greater time than we can afford to give away free.

Columbia does not censor ideas nor do we seek that the views of any speaker agree with any member of our editorial staff. We are pledged not only to freedom of the air but non-partisanship and fairness of the air. By freedom we mean the right of a speaker to express his views subject only to general laws and the laws of libel and slander, the rule that he may not seek to provoke racial or religious hatred and the ordinary limitations of good taste and the decorum appropriate to the homes of the nations. By fairness we mean no discussion must ever be one-sided so long as any qualified spokesman wants to take the other side. The party in power must never dominate the air. No majority must ever monopolize. Minorities must always have fair opportunities to express themselves.

And these letters, and a magnificent speech from which I am going to quote in a few minutes, by the chairman of the Federal Communications Commission in the United States, have been gathered together by us in a small brochure which will be distributed to members of the committee after this meeting. I do, however, wish now to place on record extracts from one of the most inspiring speeches I believe that has ever been delivered on this subject. It is delivered in words which I wish I could emulate; I am going to ask you to allow me to read a few extracts from the speech which was delivered on January 26, 1929, by Mr. Frank R. McNinch, chairman of the Federal Com-

[Mr. Leonard W. Brockington, K.C.]

munications Commission, before the Carolina political union, University of North Carolina, Chapel Hill, North Carolina, broadcast over the blue network of the National Broadcasting Company, at 8.30 p.m. on January 26, 1939.

Now, in opening his speech Mr. McNinch wonders what would have happened in the Bill of Rights when the Bill of Rights was introduced into the constitution of the United States if at that time radio had been in effect, and what would have been the rights which would have been given to citizens in connection with the use of radio for the advancement of opinion. I hope you read all of the speech. I am only going to read a few extracts for your immediate attention.

The first extract which I wish to read is this:—

We must recognize that one of the essential elements of our problem is that there will always be hundreds of thousands more speakers and potential speakers than there are broadcast stations. The number of people who can broadcast over any of these stations is limited by the number of hours in the day, days in the week, weeks in the year, and years in a lifetime. Let us for the moment assume that every broadcast station operates twenty-four hours a day, every day in the year, and that during the period of its operation no time is devoted to anything but persons who desire to speak. If it be suggested that a right should be recognized and protected in every person to speak over the radio, simple arithmetic would make it plain that this right to speak would be only for a matter of seconds or minutes in a lifetime. I have no desire to do more than suggest the additional complications which would be involved if it were to be provided that every speaker have an area, and an audience of equal size.

Now, here is another extract which I should like to read:—

Now, it is no part of our democratic system of government and certainly there was no disposition evidenced by the people who insisted on the inclusion of the Bill of Rights in our constitution to make it a part of our system, that certain people by reason of their religious, political, social or economic views should have rights which others citizens do not have. Many people to-day, however, assert very vociferously that particular individuals have some peculiar or special right to broadcast because of the views that they desire to express or because of the organization they represent. No such claim of right can be supported without denying—note that statement—an equal right to many other citizens.

I cannot escape the conclusion that under our constitution either all of us have an equal right to speak over the air or none of us has any right to speak over the air.

And another:—

Broadcasting cannot, as long as we retain the principles of our constitution become a propaganda medium serving the interests of any administration, Democratic or Republican, or any political, religious or economic organization or any individual however rich or powerful to the exclusion of others. This does not mean that political, religious, economic or social questions may not be discussed over the radio without doing violence to our constitution, nor does it mean that persons who are either biased or prejudiced may not be given opportunity to express their bias or prejudice over the radio. *It does mean, however, that if any of these questions are discussed, a complete and rounded discussion of all important aspects of the controversy should be given for the benefit of all listeners. Whether such a presentation is achieved through debate*

or expression otherwise of opposing views is not material. The important and necessary requirement for the protection of the listeners is that all sides be given, if any side is given on any important controversial, social, political, economic, or religious question.

Then, here is another extract:—

But I have the strong conviction that no one should be allowed to have his particular views on a controversial subject broadcast to the exclusion of those holding different views. Unless all sides of an important controversial question are adequately given on the air, the listening public will be incompletely informed. I advocate, in fairness to all listeners, that they be permitted to hear all sides of an important question, and that licensees of broadcast stations or persons to whom they may give or sell time be prevented from taking an unfair, un-American, undemocratic advantage, by telling their side of a controversy to the public and preventing the other side of the story from being told as well.

Now, gentlemen, there are a number of perhaps even better extracts in the speech which will be distributed to you.

I would like to say this: From what I know of the engaging and vital personality of Mr. George McCullagh he believe is sincerely anxious to promote public welfare. From what I know of him I believe that if he and I were to sit down together and go to work on this question he would end up agreeing with me, because to judge from spoken words, I think we all want the same thing. I think he might complain of our inconsistency, an inevitable occasional inconsistency which is not denied—I think he might complain too perhaps of a certain absence of notice of a policy which affected him; an absence of notice may have been inevitable but was none the less regrettable. I am prepared to admit that if it caused him inconvenience or placed him in an unfair position, if even only in his own opinion, it was regrettable. But these little things are minor things in the consideration of the question of principle; and I believe, for some of the reasons which I have read—and others which you may have an opportunity of reading—and which I am going to try to summarize for you, you will find that our attitude and the attitude of any reasonable man who is interested in the preservation of freedom are not divergent, but rather synonymous.

Now, I believe, sir, the attitude of the CBC is that free discussion of both sides of a question by speakers of competence is the best way in which to present controversial material. We have tried to do that. I do not think perhaps we have done it well enough. However, we have only been in office for two years, and radio is a subject for progressive development, development along lines which I believe can only lead to a better understanding throughout all classes with complete justice to them all. And in that connection I—perhaps I should not put this in—but I should personally like to see a greater opportunity for self-expression given to those classes of men and women in our community who are never going to be able to own or control either newspapers or radio stations. Public radio, taking notice of that fact, should perhaps go out of its way to give those opportunities to men and women who do not enjoy those privileges, and who perhaps may never expect to enjoy them. There should in general be no preference for any Canadian over his fellow-Canadians. If everybody has a right to demand time and one hundred men demand it all simultaneously, who is going to be preferred? Surely that is a correct reductio ad absurdum of the theory that any man is entitled to come along and demand time on any network in this country. Above all, there should be no preferences for wealth. Freedom of speech is not for sale at fifty dollars a minute on the air; if it were, then free air would soon degenerate into just a sign outside a filling station. Radio is a limited and expensive medium. If you placed it under the domination of wealth, and last year's committee determined that it should not be placed under

the domination of wealth—it would be possible for the wealthy to buy up all of the best available time. And then, just one whisper in the ear of the committee (and I hope it does not get outside): Don't you think we are all getting a little too much propaganda from the air; and don't you think that a medium that was meant for enlightenment and entertainment is being cluttered up with too much speech and too many voices? I know I thought that the situation that arose in this province at the time of the last Ontario election was the most lamentable exhibition I ever witnessed of the misuse of the air. For three solid weeks the claims of possessors of nostrums for the cure of every kind of political evil drowned out all the music in Ontario; and from what I know of Ontario, no province, shall I say, needs more harmony, more sweetness and more light.

Gentlemen, in dealing with controversies, particularly those which confuse us, it is the eye of the plain and common man that sees most clearly through the encircling gloom of sophistries and catchwords.

Some Hon. MEMBERS: Hear, hear.

The WITNESS: I have been hearing from the common man lately. I have had letters from farmers' organizations and from labour organizations. They know when essential freedoms are at stake, because they have had to struggle hard enough to obtain the little freedom they enjoy. Yesterday I got a letter from a dirt farmer. He said to me: no man's right on the air should be affected by wealth or influence of political power—

Some Hon. MEMBERS: Hear, hear.

The WITNESS: —it can only be founded on the basis of our common citizenship. It is there that I leave it, and there I hope the Canadian Broadcasting Corporation will always find it.

Now, gentlemen, I have kept you a long time. I have tried to show you the progress of national radio in the national interest. I have tried to show you how that freedom, in my opinion, can only be maintained if it is administered by fearless, fair-minded men and women of all shades of opinion from all parts of Canada who are determined to preserve it against all the influences of privilege and of wealth. I am not suggesting that this board with whom that duty has been entrusted is such a board. I do suggest to you that as the years go by such a board can be obtained. Somebody once said that power is permanent and liberty is transient; and I ask you to join us in looking into the future. Seeing the development of radio as a medium of expression; seeing the development of facsimile as a medium of reading, seeing the development of television as a medium of pictorial propaganda, where do you want that power to remain? Do you want that power to go to private interests to be placed under the domination of the blatancy of advertising or the cupidity of wealth? Do you want it to go to the government of the day so that you may turn all these things that were meant for education, enlightenment and entertainment into instruments for the advancement of Fascistic power? Or, do you prefer to leave it to the just and the courageous administration of citizens charged with the responsibility by parliament; responsible not to the government of the day but to the parliament of the day?

There are three paths that we can take. There is the primrose path that leads to the surrender to commercial interests; that is an easy way. There is the pleasant path that leads to preferment and to a civil service controlled and commanded by the Government; that too would be an easy path for us to take. Then, there is a difficult path, it is the path along which we are moving. It leads through ravines, boulders, obstacles and difficulties. It is the path of duty. That is the path that we have, falteringly perhaps, tried to take.

In ending my report I ask for the support of this committee not to us personally, because after all we are only transient and temporary custodians of these high ideals; but we do confidently ask your support for the ideals of

national ownership, for the continuing principle of independent and autonomous control which we without fear I hope, and without self-interest I know, have consistently and steadfastly attempted to defend, to justify and to maintain.

Mr. DUPUIS: Would Mr. Brockington answer my question as to the permission granted to private stations to broadcast personal opinions whereas it had been refused by the CBC?

The WITNESS: I was telling you that the CBC operates its own networks. In doing that it will control and must control all subsidiary networks. With reference to private stations we have to remember their program needs. We have no wish to carry the principle to the complete logical conclusion of sponsoring expression of opinion on private stations, individual private stations, because the same objections that have been made with respect to network broadcasting do not apply to them. I think I said to you, however, that unless private stations give freely the opportunity to men of all professions and beliefs to broadcast opinions under equal conditions; if they are prevented from so doing by the dominating opinions of the gentleman who holds the private licence, which is a public trust, the CBC will consider in any such case recommendation of the cancellation of such licence because the denial of time is a violation of the administration of the public trust that has been imposed upon him by virtue of the licence he holds for his private advantage.

Mr. DUPUIS: If it is wrong or unjust to permit the wealthy people to broadcast their personal opinions and refuse the same opportunity to poor people who might have good ideas which would advance our democratic system, or any other views, I suggest it is just as unjust to allow private stations to do that.

The WITNESS: You, Mr. Dupuis, are a logician; I am not as good a one as the average French gentleman, because logic is the basis of your nationality. I agree that your logic is indefensible, except possibly in that one respect. You know as the poet in "Patience" said "what it is to long for the indefinite and be brought face to face daily with the multiplication table." That is the position of anybody who assumes any public duty. We have to reconcile the ideal and the expedient. If I had my way I would do what you suggest. However, these things cannot always be done.

Mr. DUPUIS: I did not want to be misinterpreted. I know too little about it at the moment to form a personal opinion. I am not ready to decide that yet; but, as a matter of principle, if it is allowed to wealthy people why should it be refused to poor people with respect to any Canadian Broadcasting Corporation station?

The CHAIRMAN: Gentlemen, I think Mr. Brockington has been on the stand nearly an hour and a half, and I think he should now be given a chance to rest. This is Friday and he will be available for the committee when it sits again on Tuesday. Would it not be desirable for us to adjourn now?

Mr. HÉON: When could we expect to receive printed copies of Mr. Brockington's address?

The CHAIRMAN: Copies of the report of yesterday's proceeding will be in your mail box this afternoon.

It has been requested by the manager of the Canadian Broadcasting Corporation that if any of the members of the committee were interested in any particular phase of the management it might facilitate proceedings if the questions of members were made available to him through me in advance so that he would be prepared adequately to deal with them when he comes before us.

Mr. HÉON: Do you want them now; do you wish us to put our questions for Mr. Murray at this time, or shall we give them to him?

[Mr. Leonard W. Brockington, K.C.]

The CHAIRMAN: You can do that if you like, or you can give them to me and I will pass them on to him. Personally I think it would facilitate our proceedings if members were to place questions with me so that Mr. Murray and the experts of his staff might have an opportunity of preparing answers.

The WITNESS: When I was talking to you a few minutes ago I omitted something I wanted to do. When I was dealing with the variety of speech and comment that we are endeavouring to foster I meant to file for the information of the committee a complete list of the subjects discussed and the speakers who have discussed them since the inception of our period of office. I think you will find it an impressive list. I would not ask Hansard to print it, because it is too long; but I will leave it with the clerk and it will be available to you through him should you care to peruse it.

May I be excused?

The CHAIRMAN: Yes, certainly.

Witness retired.

Hon. Mr. LAWSON: Just before we get away from the subject matter previously mentioned and continued by Mr. Brockington: I must confess that out of a multitude of euphonious words my simple mind has not been able to conceive the facts, and I would like to get at a few plain facts. May I assume, therefore, that before the matter becomes too cold in my mind that at the next sitting of the committee we may proceed with asking Mr. Brockington some questions with respect to the subject matter he has covered this morning rather than three or four weeks or a month from now.

Mr. BROCKINGTON: I can assure you that I will be here on Tuesday morning.

The CHAIRMAN: I think that is understood, that we are to have Mr. Brockington here. The only reason I suggested adjournment now is on account of Mr. Brockington's having been sitting for an hour and a half. He will be here at every meeting. Is it your wish that at our next meeting Mr. Brockington be here to be questioned on the statement he has made?

Hon. Mr. LAWSON: As far as I am personally concerned I would like to be all cleaned up on this matter before we go on and hear Mr. Murray.

Mr. BROCKINGTON: I don't like the words "cleaned up"; if you don't mind.

Hon. Mr. LAWSON: I beg your pardon?

Mr. BROCKINGTON: I say, I don't like the words "cleaned up," if you don't mind?

Hon. Mr. LAWSON: I had reference to my own mind.

Mr. SLAGHT: Apropos Mr. Lawson's suggestion, I have one that differs slightly and I would like him to consider whether he thinks perhaps of greater advantage than the course he suggests, and mine is this: In connection with the matter last dealt with this morning I shall have some matters upon which I shall want some light as well. But we have not heard from Mr. Murray as yet. It seems to me that if we would first take Mr. Murray's statement to the committee it will doubtless deal with matters of which Mr. Brockington had no knowledge and, therefore, having heard Mr. Murray, it would be more advantageous to take up the matter with Mr. Brockington because I believe it will shorten our proceedings rather than to have Mr. Brockington deal with matters which are only partial inasmuch as he had only a part to play in them. After we have heard both gentlemen we should then be able to shorten the inquiry. Does that meet with your approval, Mr. Lawson?

Mr. HÉON: Could we not ask Mr. Murray now whether he wants to add to Mr. Brockington's statement?

Mr. SLAGHT: He is coming with his general statement. It seems to me fair to permit Mr. Murray to make his statement in the regular way, and after we have heard both gentlemen tell us about it they will still be available for questioning.

Hon. Mr. LAWSON: As a result of the evidence this morning I am not clear in my own mind as to whether, in connection with the McCullagh case, for example, it was a matter of Mr. Murray's responsibility to interpret certain rules and regulations of the corporation which they are now backing and approving, or whether he was doing so under the guidance of the chairman.

Mr. SLAGHT: I am in the same position, but do you not think we would be better able to question both gentlemen after we have heard them both? It is a minor matter, but I think you will save the time of the committee by doing that.

The CHAIRMAN: I might say, gentlemen, that Mr. Murray has no general statement to make in regard to any of these controversial questions. Mr. Murray will be able to answer questions as to his part in the McCullagh episode, but as far as a general statement is concerned—

The WITNESS: I will, of course, be guided by the wishes of the committee. I should prefer, if I might, to finish my job. I think you will recall that broadcasting is not my business; it is what some people are pleased to call my hobby. I have duties to perform, and I have some very onerous duties to carry out in Ottawa for my clients. I would much rather come here on Tuesday morning, Wednesday, Thursday and Friday to finish and at last be able to enjoy the appearance of Mr. Murray while reaping a certain amount of rest for myself.

Mr. SLAGHT: If those are Mr. Brockington's wishes I shall be glad to fall in with them. As Mr. Murray is not to make a general statement—

The CHAIRMAN: Mr. Murray has just informed me that he has no general statement to make.

Mr. SLAGHT: That being so, quite apart from the McCullagh incident, there were one or two matters which you rather invited us to indicate to you. One is the question of the limit of \$500,000 contained in the statute as an amount, as I understand it, beyond which you are not able to go in receiving money for advertising.

The WITNESS: That is not a statute at all, sir.

Mr. SLAGHT: A regulation?

The WITNESS: No, sir. That was our own declared policy last year.

Mr. SLAGHT: I should like to hear that discussed a little bit at a later date and at your convenience.

The WITNESS: All right, sir.

Mr. SLAGHT: Further, with regard to licence fees, the collecting of licence fees and the costs of collecting them, also a short review on how that matter stands. That is a matter of great concern and interest.

The CHAIRMAN: I might interject, Mr. Slaght, that the collection of licence fees is under the Department of Transport. If you wish to find out the cost of collecting licence fees, and so forth, I think probably we had better get those officials here. Mr. Rush, I think, is the gentleman in charge of that branch.

The WITNESS: We are at the microphone end of broadcasting and at the receiving end of licences.

Mr. SLAGHT: If that matter is in other hands then the information must come from the proper source.

The CHAIRMAN: They are available at any moment.

Mr. SLAGHT: In connection with short-wave broadcasting, what is the approximate cost of short-wave installation?

Mr. WOODSWORTH: Mr. Chairman, I submit there are a number of us who desire to ask questions. I thought it was agreed that we should adjourn now. Why should we begin asking questions?

The CHAIRMAN: I think Mr. Slaght was trying to facilitate the work of the committee by putting these things to Mr. Brockington so that at our next meeting he can bring forward the proper explanations.

The WITNESS: Mr. Slaght, might I suggest that if the committee adjourns I shall be quite willing to talk to you privately and you can tell me what you want and I will see that you get it, making it an answer to your question. As a matter of fact, the adjournment was at my request, as I was rather tired having had a sleepless night.

The CHAIRMAN: Is it your pleasure, gentlemen, that we adjourn until next Tuesday?

Hon. Mr. LAWSON: Mr. Chairman, unless I am mistaken in the impression made upon me this morning, it is obvious there are no specific regulations in these regulations which were supplied us concerning the matter discussed by Mr. Brockington this morning. There must be a record somewhere of the determination of the commission's policies in regard to that matter. I think the record is in the minutes which Mr. Slaght asked for at the last meeting of the committee. It was decided then that that question was going to be taken up to-day. What is to be done about it? Are we just going to forget about it, or is it going to come up at the next meeting of the committee? I should like to have that matter disposed of in some way.

The CHAIRMAN: Mr. Lawson, I think we had better adjourn now. We will discuss that matter at our next meeting. The only reason a discussion of it was postponed was that it is a controversial question. The committee of last year, which was composed of almost the same members as this year, took a very definite stand along those lines; and in view of the fact that discussion would be prolonged to some extent I thought it was advisable in the interests of procedure to allow Mr. Brockington to complete his statement. That is the only reason it was put off to-day.

Hon. Mr. LAWSON: For the purpose of asking certain questions of Mr. Brockington, if possible I personally should like to see what is in those minutes.

The CHAIRMAN: We will adjourn now and at our next meeting, if you care to have a discussion on that matter first, you will have the privilege.

I understand the members want to ask Mr. Brockington some questions. Mr. Murray will be on the stand to answer any questions with regard to internal management. Then the committee can decide on further procedure.

Mr. ISNOR: In the meantime, questions will be submitted to you in writing?

The CHAIRMAN: If questions are submitted to me, I will give them to Mr. Murray, and it will facilitate the work of the committee.

Is it your pleasure that we should adjourn now until next Tuesday?

Some Hon. MEMBERS: Carried.

(At 12.40 p.m. the committee adjourned until Tuesday, March 7, 1939.)

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SESSION 1939
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING



MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

TUESDAY, MARCH 7, 1939

WITNESS:

Mr. Leonard W. Brockington, K.C., Chairman, Canadian Broadcasting Corporation.

OTTAWA
J. O. PATENAUME, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

MINUTES OF PROCEEDINGS

TUESDAY, March 7, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Dupuis, Factor, Hamilton, Héon, Isnor, Lawson, MacKenzie (*Neepawa*), MacMillan, Martin, Ross (*Moose Jaw*), Stevens, Thompson, Turgeon, Woodsworth. (15).

In attendance:

Mr. Leonard W. Brockington, K.C., Winnipeg, Chairman, Board of Governors, Canadian Broadcasting Corporation;

Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;

Dr. Frigon, Assistant General Manager, Canadian Broadcasting Corporation.

Mr. Leonard W. Brockington, K.C., was recalled and cross-examined on the evidence presented by him at the two previous sittings of the committee by the following members: Mr. Lawson, Mr. Factor, Mr. Martin, Mr. Beaubien, Mr. Woodsworth, Mr. Turgeon, Mr. Hamilton, Mr. Stevens and Mr. Ross (*Moose Jaw*).

After discussion, Mr. Lawson moved,—That Mr. Brockington bring before the committee excerpts of any Minutes of the Board of Governors of the Canadian Broadcasting Corporation relating to prohibiting the broadcasting of sponsored opinions over its own network.

Mr. Factor moved in amendment thereto,—That the question of producing excerpts from the Minutes of the Board of Governors of the Canadian Broadcasting Corporation be left in abeyance until considered by Mr. Brockington and the other members of the Board of Governors.

After some further discussion the amendment was withdrawn by leave of the committee.

On the question being put, the Chairman declared the motion of Mr. Lawson lost.

Mr. Lawson called for a recorded vote and the names were called and taken down as follows:—

Yea,—Messrs. Factor, Lawson, MacMillan, Stevens, Thompson—5.

Nay,—Messrs. Hamilton, Isnor, MacKenzie (*Neepawa*), Martin, Ross (*Moose Jaw*), Turgeon, Woodsworth—7.

The motion was negatived.

The Committee then adjourned to meet again on Friday, March 10, at 11 o'clock, a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, Room 429

OTTAWA, March 7, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, will you kindly come to order? At our last meeting Mr. Brockington completed the making of his presentation. To-day we have Mr. Brockington and Mr. Murray here. What is the wish of the committee as to our procedure?

Mr. MARTIN: Mr. Factor was speaking to me, for the moment, and I did not hear what you said, Mr. Chairman.

The CHAIRMAN: At the last meeting Mr. Brockington completed his presentation. Some of the members wished to ask certain questions of Mr. Brockington, and we adjourned in order to give him time to rest. To-day we have Mr. Brockington before us and we also have Mr. Murray. What is the wish of the committee as to our procedure?

Mr. FACTOR: Who are the members who wanted to ask the questions? You had better ask them, Mr. Chairman.

The CHAIRMAN: Do you wish to have Mr. Brockington first?

Hon. Mr. LAWSON: I wanted to ask some questions of Mr. Brockington; but you will remember that Mr. Slaght and one other member of the committee seemed to feel that we ought to hear Major Murray first. It is immaterial to me. I am in the hands of the committee.

Mr. MARTIN: I think that Mr. Brockington ought to be allowed to finish his evidence. He was on the stand.

The CHAIRMAN: He has finished it.

Mr. MARTIN: If there are any further questions that are to be asked of him, I think they should be asked now.

The CHAIRMAN: What is your pleasure, gentlemen? Is it your pleasure that Mr. Brockington should be heard?

Mr. ISNOR: I think the point raised by Mr. Slaght was that the evidence submitted by Mr. Brockington and that which will be submitted by Mr. Murray is interwoven; for that reason it was suggested that we might hear Mr. Murray first, after which we might be able to question either Mr. Brockington or Mr. Murray, and thus save time.

The CHAIRMAN: Is it your pleasure that Mr. Murray should come forward?

Mr. FACTOR: It does seem to me that we ought to continue with Mr. Brockington and get his evidence finished first; we can have Mr. Murray later on.

Mr. ISNOR: It is immaterial so far as I am concerned.

Mr. TURGEON: I agree with that. At the moment I have no questions to ask. It was Mr. Slaght who wished to ask some questions of Mr. Brockington. Mr. Slaght is absent. Mr. Lawson is present, and he has some questions to ask of Mr. Brockington. We adjourned the other day in order to give Mr. Brockington, who had been on the stand for a long time, an opportunity to rest. I suggest that Mr. Brockington might take the stand again, and anyone who wished to ask him any questions might do so.

The CHAIRMAN: Does that suggestion meet with the approval of the committee?

Some hon. MEMBERS: Carried.

L. W. BROCKINGTON, K.C., Chairman of the Board of Governors, Canadian Broadcasting Corporation, recalled.

By Hon. Mr. Lawson:

Q. Mr. Brockington, the financial statement of the Canadian Broadcasting Corporation as of March 31, 1938, set out in the annual report, shows a gross income from net licence and commercial revenue of \$2,252,732.29?—A. Yes.

Q. Would you please tell us what proportion of that amount is the net income from licence fees?—A. Well, if it is not in the statement I cannot tell you that offhand; but I will certainly get it for you forthwith.

Mr. FACTOR: It is on page 16.

The WITNESS: Yes, I see it is page 16.

By Hon. Mr. Lawson:

Q. In having that statement submitted, would you segregate the information so as to show the fees received from radio receiving set licences and from licences on radio broadcasting stations?—A. We get no fees from the licences on radio broadcasting stations. Those go to the Department of Transport.

Q. The CBC receives a net amount from the Department of Transport, does it?—A. All we get from the Department of Transport, as I understand it, are the licence fees, less certain costs of collection which are charged by the Department. Any licence fees paid by radio broadcasting stations go direct to the Department of Transport, and they are not part of our revenues.

Q. The next thing I should like to deal with is this refusal of a chain to Mr. George McCullagh. Will you tell me on January 3, 1939, when apparently Mr. McCullagh made his application for a chain, just what regulations were in effect on that date?—A. On January 3rd?

Q. On January 3rd, 1939?—A. Exactly the same—

Q. I assume that was the date of his original application, because I see Major Murray wrote Mr. McCullagh a letter on that date in which he says: "As I told you over the telephone to-day, your application presents a new problem and bears upon certain policy discussions at meetings of the board of governors."—A. Well, the position as of that date was exactly the position which I told you about in my evidence in chief. Mind you, I will have to take your word for these dates, because Mr. McCullagh did not talk to me. He talked to Mr. Murray. But the position at that time was exactly as at the time when we met last week. The CBC had always considered, and had had occasion to discuss on a number of occasions, first of all, the policy that opinion or propaganda broadcasting would not be broadcast over its own network. That was clear.

Q. Excuse me. I want to confine it. As a result of your evidence the other day I was left in considerable confusion, and it is with a view to clarifying it that I am asking these questions. I have in my hand a book of regulations for broadcasting stations.—A. Yes?

Q. Were there any regulations in existence on January 3rd, 1939, other than those set out in this green book?—A. Mr. Lawson, I think perhaps you do not quite understand what that green book is. That green book contains regulations generally governing private stations. Every decision that the CBC has ever made has of course been a regulation concerning its own operations. I was just proceeding to tell you what the position was. As I told you, phases change and conditions change. The position was briefly this: We had occasion, or at least we had a number of occasions during the last two years, to consider and to discuss the position with reference to the type of programs that would

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be allowed on CBC networks. I told you that as of January 3, as in fact of December and several prior dates, the position was briefly this: The CBC had decided that it would not allow on its own network the broadcasting of propaganda or opinion. I told you quite frankly that there was no direct regulation making any such provision with reference to what were known as private or subsidiary networks. I told you as of that date of January 3rd, always the CBC had the duty, imposed upon it by parliament in the act, of dealing with private networks. It had the right to say what should or should not go on—

Q. Mr. Brockington—A. Let me finish.

Q. I am sorry, but I am not looking for a speech on each question.—A. No. Mr. MARTIN: I do not think that is fair.

By Mr. Lawson:

Q. If you will answer the questions simply, I think we can get along more rapidly.—A. As far as I am concerned, if a question does not permit of a straight "yes" or "no" answer, I propose to answer it with such necessary explanation as to enable me to answer it correctly.

Q. I am not suggesting that you have to answer any question with "yes" or "no." But I asked a simple question, and I think you answered it long ago. As I understood it, your answer was that there was a regulation of the CBC, with respect to the use of its own chain of stations, in existence on the 3rd of January, 1939, which is not a published regulation of the Canadian Broadcasting Corporation. Is that a fair or correct statement?

Mr. FACTOR: You mean so far as their own network is concerned?

Hon. Mr. LAWSON: I am talking about their own network. I made that very clear in my question.

The WITNESS: I think you used the word wrongly, as to their being a regulation. There certainly was an established policy—established by discussion—of the CBC, to the effect that on its own network there should be no facilities given for the sponsorship of opinion or propaganda.

By Hon. Mr. Lawson:

Q. Right. Then may I ask on what date that policy was decided upon?—A. Definitely decided upon?

Q. Yes.—A. I am not able to say on what date it was definitely decided upon. It was certainly discussed in unmeasured terms at the meeting in December. It had been discussed over a period of time. I would say it was discussed in October. I think it had been discussed even eighteen months prior to that, in a general way, and had been continually a subject of discussion.

Q. Is there any record kept in the minutes of the meetings of the board of governors of the Canadian Broadcasting Corporation as to the decision of policy?—A. Policy of the board?

Q. The policy of the CBC.—A. Yes.

Q. Would you be good enough to tell me the date on which it is recorded in the minutes of the Canadian Broadcasting Corporation that the policy has been adopted that opinion broadcasts will not be permitted; that is, that individual opinion broadcasts will not be permitted?—A. You mean sponsored broadcasts of opinion?

Q. Yes, sponsored broadcasts of opinion.—A. It was certainly discussed in October; and I think there is a record in October, probably. It was certainly discussed in December, and there have been general discussions over a period of time.

Q. Would you produce any minutes in which there is a record of that determination of policy on the part of the CBC?—A. Will I produce the minutes?

Q. Yes.—A. I will not answer that question at the moment. I will consider your request, if you are directing it to me.

Hon. Mr. LAWSON: Then Mr. Chairman, I ask that the witness be required to produce any minutes of the meetings of the board of governors of the Canadian Broadcasting Corporation in which there is recorded the decision of the board of governors as to the policy of not permitting, on a CBC chain, a sponsored broadcast on which some person desires to broadcast personal opinions.

The WITNESS: That is your request to me, is it?

Hon. Mr. LAWSON: I beg your pardon?

The WITNESS: You make that request of me?

Hon. Mr. LAWSON: I requested it of you; and I understood you to say you were in the hands of the committee. So I am now asking the chairman for a direction that those be produced.

The CHAIRMAN: Of course the chairman is in the hands of the members of the committee, Mr. Lawson.

The WITNESS: I did not say that, as a matter of fact. I said I would consider it, if you would give me time.

By Mr. Factor:

Q. Before you proceed with this matter, I just want to make clear that there is nothing in those regulations in respect to this matter of sponsored broadcasts of private opinions?—A. No, sir. May I answer your question in full?

Q. Yes.—A. I mean, Mr. Lawson did not give me an opportunity. That book contains regulations affecting private stations. I tried to make it quite clear in my opening remarks that Mr. Murray's action—which is the action, I take it, that is in dispute—was founded upon three things. In the first place, it was founded upon a policy that the facilities of a CBC network could not be purchased for the broadcast of sponsored opinion and propaganda. I may say that that is a policy which was approved by this committee last year. I read to you on Friday the closing paragraph of my speech on freedom. I do not think that any applicant has ever denied the existence of that policy, or has wished to break it—not even the applicant whose particular case is occupying Mr. Lawson's attention at the moment. I said that in addition to that policy as to the non-sponsorship of commercial propaganda, as propaganda or opinion, over our own network, there were two other factors that entered into it. One was that we ourselves control subsidiary networks wrongly called private networks. The third was that at the end of the year definite instructions were given to Mr. Murray that, until we had had an opportunity of looking into our whole network situation, further networks should be minimized, if not prohibited. I want to tell you, Mr. Factor, that in so far as this particular application was concerned, it was not dealt with in any different way from any other. It happened to be the first that came up after the matter had been completely discussed.

Q. I just want to make clear that the regulations contained in this book are merely regulations affecting private broadcasting stations?—A. Well, yes. They are directed towards the conduct of private broadcasting stations and the general conduct of broadcasters.

Q. Yes.—A. I will admit that it would be better if our regulations, if there are any further ones, were printed there. But that is what that contains.

Q. That is what I am coming to. Are the regulations for the CBC network made by the board of governors in that printed form or are they contained only in the minutes of the board?—A. Well, such regulations—what do you mean exactly by "regulations"?

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Q. Regulations generally applicable to broadcasting.—A. By the CBC itself?

Q. By the CBC, yes.—A. No, they are not printed.

Q. They are not printed?—A. No. As I say to you, every decision that we make is quite likely to have something to do with the conduct of our own business over our own network.

Q. Yes, quite so. But I am distinguishing between a decision made by the board so far as it affects the internal operations of the corporation and a regulation affecting the public generally so far as broadcasting, even on the CBC chain is concerned. Are these regulations merely contained in the records of the minutes of the corporation or are they in printed form?—A. All the printed and published regulations of the CBC, as far as I know, are in that book that you have in your hand.

Q. Is there anything in these regulations relating to the prohibition of personal opinion and propaganda on the CBC chains?—A. I do not think so, no.

Q. It is not contained in this book?—A. No.

Q. And the only place it is contained would be as recorded in the minutes of the Canadian Broadcasting Corporation?—A. Yes; or as I say, as a general discussion of policy that took place over a period of months and was certainly well understood by everybody connected with it.

Q. Followed by instructions to the general manager to follow that policy?—A. Certainly.

By Mr. Martin:

Q. Was the McCullagh incident the first one of its kind after the policy of the board of governors had been definitely rounded out or decided upon?—A. I can only answer from hearsay. Obviously applications are not made to me personally.

Q. As far as you know?—A. As far as I know, it was not. I think I have heard some reference to other ones. Perhaps the best thing to do is to ask Mr. Murray about it when he comes, because I do not know. It is only second hand information, if I have any at all.

By Mr. Turgeon:

Q. Do you know when Mr. McCullagh first made his request for broadcasting facilities?—A. You mean his first formal request?

Q. Yes. I notice the first application mentioned—I have not got the correspondence with me—January 3. Was it made before that or after?—A. I presume it was approximately that date. I do not know. I do not know any other date.

Q. It has not gone back over a period of months into the last year, as far as you know?—A. As far as formal request is concerned, certainly not.

Q. It has not?—A. As far as I know, it has not.

By the Chairman:

Q. In other words, Mr. Brockington, when the board of governors meets, certain phases of radio broadcasting applying to private stations are brought up before the board. After the discussion I suppose you give instructions to your manager, without passing any fixed regulation, as to what attitude should be taken?—A. It comes up all the time. I may mention that this particular instance is the only occasion when there has been any difference of opinion in the board. We thresh things out and talk amicably, and notwithstanding the fact we come from the east and the west, and are French and English, Protestant and Catholic, this is the first occasion in the whole history of the Canadian Broadcasting Corporation when there has been the slightest difference of opinion amongst the board itself. We have been in the

habit of working twelve and fourteen hours a day when we come here. We do not stay here longer than to talk things over as well as we can and as thoroughly as we can. We have been, if I may say so, one large family dedicated to what we believe to be the advancement and the preservation of the national interest. This is the only occasion in our history when there has been the slightest division.

By Mr. Factor:

Q. No one quarrels with that. There is no division of opinion in the committee with regard to that. What we are trying to get at is this: if a regulation is passed which affects the rights of the public generally, it ought to be given to the public?—A. Quite so. Mr. Factor, I think you will agree that I have tried to be fair about this thing. I am quite prepared to admit that there were some unfortunate circumstances surrounding it. I did tell you this, I think; if you remember, I said if there had not been adequate notice given, even if it were inevitable it was nevertheless regrettable. I mentioned that personally I would rather the occasion had never happened until there could have been some further discussion or notice to Mr. McCullagh. I am not in the slightest degree quarrelling with that. What the manager did was strictly within the rules. Mr. McCullagh may have happened to be the first, although, as I say, I have heard there were one or two applications made on other occasions. This application got the attention of the public, and he himself quite within his rights vigorously protested against the ruling. That was the reason, I take it, his case is the one everybody knows about. There may be others, I am not able to say definitely.

Q. We are not concerned so much with individual cases as with the general principle and what I should like to ascertain fairly definitely is this: in the first place do you distinguish between a regulation and a decision of the board? What is the force and effect of a regulation compared with a decision? Suppose you decide not to permit the sponsored broadcast of opinions or propaganda and record it in the minutes of the board, would that be considered a regulation of the board?—A. I would say, sir, generally, in so far as published regulations are concerned, that they would be regulations in effect that we will say restricted in the first place the actions of private stations and generally laid down general principles. I am quite prepared to admit that when it is revised and republished, a perfect reason may exist for giving consideration to the inclusion of some other collateral things; but what I am trying to make clear, so far as the CBC conduct of its own network is concerned, is the matter of policy. We might make hundreds of rulings in the course of a year. We make rules that we will not take broadcasting of certain types. We might decide to rule that we will not take programs of a certain nature. We make rules and regulations ourselves about all kinds of things. No company or no corporation publishes the regulations that affect its own conduct and all its own business within the ambit of its own particular vitality.

Q. What I can't understand is the regulations in your book provide that certain prohibitions shall exist. It says that no one shall broadcast (a), (b) (c), and so forth.—A. Yes.

Q. Is not the prohibition against broadcasting of opinions and propaganda in the same category as those contained in regulation No. 7?—A. No, except that we do not prevent the broadcasting of opinions and propaganda; nobody ever attempted to prevent anybody from broadcasting individually. All we say is that we ourselves will not take them on our network. We ourselves as custodians and arrangers and supervisors of subsidiary networks never decided definitely about so-called private networks, but we instructed Mr. Murray

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to restrict the use of private networks. At the present time anybody can broadcast any opinion, or any propaganda, on private stations, nor are we proposing to make any regulations to stop it.

Q. In other words—

By Hon. Mr. Lawson:

Q. If Mr. Factor will pardon me, I should like to say this: surely you want to reconsider the statement that you just made?—A. What statement are you objecting to?

Q. Surely you want to reconsider that. Let me read a letter at this point.—A. I did not write the letter.

Q. Let me read a letter written, I suppose, on the policy by your commercial manager, Mr. E. A. Weir, of the CBC. The letter is written to MacLaren Advertising Limited, and is as follows:

“ 1 Hayter Street,

Toronto, Ontario,

January 12, 1939.”

They, on behalf of Mr. McCullagh, applied on January 9 for the right to use a chain of private stations?—A. Yes.

Q. The letter reads as follows:—

DEAR MR. PASMORE,—This will acknowledge your letter of January 9th requesting wire lines facilities for a non-basic network on behalf of the Globe and Mail; Sundays, 5.00 to 5.30 p.m. EST.

We regret to advise that this network has not been approved.

While the whole matter of private station networks is under review, the Board of Governors has instructed that no permissions for new commitments on non-basic networks shall be granted until at least after the board has received the representations of private stations at the next board meeting which is expected to take place about the middle of March.

We are further advised that the general manager has written Mr. George McCullagh setting out detailed reasons for the denial of the above networks.

A. Yes.

Q. The stations it was suggested they were going to use were CFRB, CKLW, CKPR, CKSO, CFCH, CKGB, CJKL, CKNX, and CJCS.—A. Yes.

Q. In view of the fact your own commercial manager says that they will not take any commitments for chain broadcasting until after your meeting in March, you want to sit here to-day and say there is no restriction whatever on the private stations?—A. Mr. Lawson, I thank you very much for the strongest possible confirmation of what I have just now been saying. I have just been saying in so far as networks are concerned we did decide that networks should not be set up until we discussed network policy. I have told you that we have the statutory duty of supervising networks; I told you we had prohibitions on our own network; I did state there were no prohibitions now, nor have there been, nor will there be any so far as we know, about the use of individual private stations.

Q. You did not say that.—A. Yes, I did.

By Mr. Factor:

Q. When I was questioning Mr. Brockington I was asking if there had been any distinction between networks and private individual stations, whether CBC stations or private stations?—A. Not on the CBC.

Q. Private stations?—A. For the simple reason Mr. Factor, as I tried to show you, we are charged with the duty of supervising first of all, our own network and secondly, subsidiary networks.

May I answer in my own way the question which you have repeated and which Mr. Lawson just mentioned? We have three definite duties. We have a duty to take care of the original CBC networks and our own stations. Secondly, to supervise and control subsidiary network broadcasting, sometimes wrongly called private networks, and thirdly, to make regulations governing private stations, and to act in general supervision over their broadcast programs.

I have already told you yesterday, and I should like to repeat to-day that our policy, not only as indicated by my statement to the committee last year but by frequent references to it throughout the year, is this: We have established that there shall be no commercial sponsorship of opinion or propaganda broadcasts on the CBC networks or on CBC stations. I have told you already of our statutory duty to supervise so-called private networks. I have also told you that at our meeting in December we instructed our general manager to see that the set-up of so-called private networks should be controlled and minimized until we have had an opportunity of detailing our network policy after full consideration by us, and after a discussion with the private broadcasting interests who have been invited to meet us on the 20th March.

While I do not want to try to stop discussion on this matter, I assure you, as I have assured you before, there was no personal, no political, no partisan desire to do anyone an injury. There was no biased discharge by our general manager of what he conceived to be our policy. Our policy has not been affected by anything but by two desires: one, to be fair to the people of Canada, without respect to class, creed, religion, political persuasions, nationality, race or any other of those things that divide us.

Our second policy has been, and will continue to be—we will try to protect the property of the people of Canada against either its improper alienation or its improper use. I have tried to put this in general principles. Surely this committee is not going to go into a long discussion as to what happened. I do not think this gentleman was done any wrong except by lack of notice. I suggest to you if you have any doubt about his courteous and reasonable attitude you read an editorial in the Toronto Globe and Mail of this morning, and you will see the very gentleman who complained, and perhaps had a right to complain, of the treatment, has most generously accepted the question of principle, and he himself says that the question now is the future use of the so-called private or subsidiary networks for this purpose.

Q. May I interrupt you a moment. As far as I am concerned I am not arguing this question in order to quarrel with your decision. As a committee I think we are entitled to know exactly the position with respect to the matter.—A. I have tried to give it to you.

Q. I appreciate that you and Mr. Murray are taking full responsibility for the decision so far as the McCullagh incident is concerned.—A. I am taking it on behalf of the board without leaving any burden of responsibility upon Mr. Murray.

Q. You are taking it on behalf of the board, quite so; but what I wanted to find out is exactly the position of the present regulations or decisions of the board first in respect of the CBC network and individual chains, and secondly, in respect of privately owned network chains.—A. My answer is—

Q. And individual stations.—A. My answer briefly is this: there is no question, and there has never been any question in the minds of any of this committee as to the effect of the CBC policy, and there have been some inconsistencies in its application, I will admit. That policy has always been that its own facilities are not for sale for the sponsorship of propaganda or opinions. There has been no definite statement concerning the position of private net-

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works, for the reasons which I have told you. On the other hand, I do say this: I believe that the general manager made a perfectly logical and perfectly legitimate, and I think an inevitable deduction from our general policy in regard to the three factors which I have mentioned: first, the prohibition on our own network; secondly, the fact that we ourselves are responsible for subsidiary networks; and thirdly, the fact that we had instructed him to put on the network broadcasting a restriction until we had an opportunity to discuss the whole situation on March 20.

Now, I will admit categorically, as I did at the last meeting, that there is no specific regulation in the Canadian Broadcasting Corporation prohibiting any direct programs of sponsorship, commercial or otherwise, of opinion or propaganda on so-called subsidiary networks.

Q. Is there a regulation prohibiting the same on the CBC network or individual stations?—A. I mentioned it to you last year in the committee that whether there are specific regulations in these terms or not I am unable to say—all I am telling you is that it has been discussed and accepted as the general policy for many, many months. I personally believe that in the meeting in December there was such a definite regulation laid down; but as these minutes have not been yet before the regular meeting of the CBC, and will not be until March 20, I am not able to say what the exact words were. I know that on a number of occasions, as I told you—both in December and October, even last month—when I came before this committee a year ago, these things have been discussed and this has always been accepted.

Q. And the Board of Governors decided not to extend the facilities of the CBC chain or individual stations for the purpose of broadcasting personal opinion and propaganda?—A. Certainly.

By Mr. Martin:

Q. Would the circumstances be different now? When the application was first made by the individual in question he wanted to present his own personal opinions. Since that time he has formed an organization, or an organization has been formed. Now, if he wishes to speak on behalf of this organization, what would be the effect of the ruling?—A. Well, Mr. Martin, as I tried to indicate to you, radio is full of changing phases. Broadcasting, as Mr. Murray has said, is a succession of crises. I have asked this committee to indicate any suggestions they may have to make as to potential regulations ensuing complete fairness of political and quasi-political broadcasting. Personally, I am not satisfied with the suggestion that because a society is incorporated it has the inherent right to buy anything at any time. Nobody has the inherent right to buy time at all. The Justice department has always indicated to us that no one has the inherent right to buy time from the CBC. All we are anxious to do is to see that opinion is fairly expressed from all classes, and the balance of entertainment on our programs is not unduly upset.

I propose, as I told you, when this committee is over, when we have had the result of the suggestions of this committee and we have had the benefit of its discussion and recommendations, to do all we can to work out a scheme which can be publicly announced. At the present time we are not able to do that. But I suggest when I am off the stand and Mr. Murray leaves the stand, and you gentlemen are discussing these things in your own private meetings, that you yourselves will say what you want us to do. You will accept the position that we have given you a record of our trusteeship, and on this occasion have asked you to help us, that is all.

Q. Mind you, that question I just asked you, and any questions that I may ask you, are not by way of criticism. Before I put the next question, let me make this statement: I think it is a very fortunate thing that you, at the present time, should be the chairman of the board of governors of the

Canadian Broadcasting Corporation, and I think that represents the feelings of the majority of this committee. I want you to feel in answering any questions I propose to put, that is the disposition.—A. I thank you.

Q. So far as I am concerned.—A. I thank you.

Q. I want it clearly understood I was not criticizing any of your actions.—A. I was not attempting to resent criticism. One must expect that. Everything that has been said here has been friendly and courteous. After all, all we want to do really is to preserve this property in its best form, establish and administer it so that we can set a tradition for our children and grandchildren who may reap the benefit.

Q. I may say by way of digression that the only thing you and I disagree on is the amount of the radio licence and radio licence itself.

By Mr. Factor:

Q. I should like to ask you one more question. Was this discussion of the board merely a discussion confined to the facilities of the CBC network, or did you discuss the question of prohibiting private networks broadcasting opinions?—A. I am glad you asked me that question. In the first place, there is no such thing as a private network. Really the CBC is the sole network authority. But I want you to understand to start with we set up a network and are responsible. I want to tell you, in answer to your question, that the CBC has never had a discussion, so far as I know, certainly not in my presence, as to whether that kind of broadcast could take place over a private network. We did not definitely visualize the possibility of that use of private networks. As I said in my evidence in chief, there was a direct understanding that there should be no broadcasting over our own networks. There was no direct understanding that there should be any broadcasting over a private network. I do suggest, however, that a combination of all the factors justified the general manager in interpreting that policy of the board in the way that he did.

Q. Now, then, with regard to the application of the general manager's ruling in so far as the McCullagh incident was concerned, he acted on the interpretation of the general policy of the board?—A. Yes. There is one sentence there, which is in the opening paragraph—one of the paragraphs in the letter to Mr. McCullagh—which obviously Mr. Murray did not word in accordance with his usual skill; and I think he would admit it freely. That is where he said, "in accordance with the rules of the board." I think a proper wording for that would be, "in accordance with the rulings naturally evolved from an interpretation of the policy of the board." In other words, the board did not lay down a specific ruling in those terms.

By the Chairman:

Q. Do you find, Mr. Brockington, that there was a certain amount of abuse in regard to chain broadcasting of propaganda by private stations?—A. Well, of course sir, I do not know. I do not know what goes on on any network except in the district where I live, where I hear them. I have no reason, personally, to believe there was any abuse. I have no reason to believe there was any abuse of that right; but there may have been. Certainly the ruling was not made because there had been an abuse of the right by private networks, so far as I know. It was made because we felt it was the proper policy. I think you can find no better evidence for that than to read the statement of the NBC and the Columbia Broadcasting System in the United States. I believe also that private stations whether joined in a network set-up by us or by themselves must eventually welcome and adopt our decision. I think broadcasting, competent broadcasting, is impossible without such a regulation.

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By Mr. Martin:

Q. It does seem to me, and I believe you said this in your statement the other day, very inconsistent that a regulation could be evaded by resorting to an ingenious method.—A. I think I suggested that after the deliberations of this committee are through and we get to the next sitting of our board we will personally take every step to see that if we make a direct regulation it will not be the subject of an indirect violation.

By Hon. Mr. Lawson:

Q. You indicated the other day, as I understand it, that you would have had the courage of your convictions, and if you had made a rule you would see that that rule was fully observed?—A. I said I would have done my best in that respect.

Hon. Mr. LAWSON: I admire you for that.

By Mr. Martin:

When a decision was made I presume that you had the experience of other countries in respect to this same kind of situation?—A. Yes, sir; right.

Q. Can you tell us more specifically on that point, Mr. Brockington, the practice in the United States?—A. After all, the final decision was made in connection with administration. Mr. Murray is particularly well informed as to the practice which is followed in other countries and, of course, in connection with the British Broadcasting Corporation the situation does not arise.

Q. Yes?—A. There is only one place in the world where it does arise and that is in Germany where the local Nazi leader is the manager of the radio station. That is the case with respect to every radio station in the totalitarian states—which somebody once defined, not long ago, as the places where everything which was not prohibited was compulsory—they listen to the propaganda which is put out. There are twelve soldiers with drawn bayonets in charge of every radio station in Germany. In that case I think that propaganda is allowed, but I do not think it is commercially sponsored.

Mr. MARTIN: I have some questions of an altogether different nature on another point which I would like to put to Mr. Brockington after this matter has been cleared up.

Hon. Mr. LAWSON: I had only started when the other members of the committee had their say, and out of courtesy to them I just kept quiet until they had finished. I would like to come back now to the matter which I would take up with Mr. Brockington.

The CHAIRMAN: It is well to give every member an opportunity.

Hon. Mr. LAWSON: That is all right. Do not think I am impatient.

By Hon. Mr. Lawson:

Q. Mr. Brockington, so that there may be no misunderstanding, some of the members took occasion to state their positions. Please understand that I have nothing personal in this matter so far as you are concerned, I am just trying to get at the board affairs—

The WITNESS: Quite so.

Hon. Mr. LAWSON: And without any glossing.

By Hon. Mr. Lawson:

Q. It is the fact, is it not, that minutes are made of meetings of the board of governors?—A. Yes.

Q. And I presume that you as chairman of the board sign those minutes?—A. Yes.

Q. And surely in those minutes there is recorded any decision of policy on the part of the board of governors?—A. I would imagine generally that that is true.

Q. Yes; you would think that that is true?—A. Yes.

Q. Now, I am going back to my question: Is there recorded in those minutes any decision of policy so far as the board of governors of the CBC are concerned with respect to not permitting a sponsored chain broadcast on CBC stations of private opinion in respect of any question?—A. I think I told you, sir, that that had been discussed. I think there might have been something decided or discussed in October; but there certainly have been discussions in the month of December—yes.

Q. Were there definite decisions?—A. Yes, I think so.

Q. I beg your pardon?—A. I think there were.

Q. And that definite decision would be recorded, would it not?—A. Yes, I suppose it would be.

Q. And that definite decision and that record would be prior to January 3, 1939?—A. The decision would be, but the record might not be.

Q. Surely a record would be made of the meeting at which the decision was made, would it not?—A. Yes, but I mean the minutes might not be in formal shape.

Q. I beg your pardon?—A. The minutes might not be in formal shape. The meeting which I have in mind, the one at which the matter was decided, was I think held in December.

Q. Yes?—A. And, as I say, the minutes of the December meeting have not yet been approved.

Q. They have not been approved at a subsequent meeting of the board of directors?—A. No.

Q. Surely these minutes have long long ago been drawn by your secretary and are in the record, in the minute book, available for approval or confirmation at the next board meeting?—A. Yes.

Hon. Mr. LAWSON: Now, then, Mr. Chairman, I come back to where I left off a few minutes ago. I ask that this committee require the witness to bring before the committee any minutes of the board of governors dealing with that subject matter, the subject matter with respect to which I have just been asking questions.

The CHAIRMAN: Do you wish to make a motion to that effect?

Hon. Mr. LAWSON: Yes, I will move to that effect. It seems so unnecessary to make motions for the production of something which in the ordinary course of events should be here.

The CHAIRMAN: You will no doubt recall that at our meeting last year a discussion arose in this committee on this very same subject.

Hon. Mr. LAWSON: That is right.

The CHAIRMAN: And there was a very long discussion, and you made a motion to a similar effect.

Hon. Mr. LAWSON: That is right.

The CHAIRMAN: And the committee this year for the most part comprises the same members as sat in this committee last year, and I expect there will be a discussion similar to the one we had last year if the matter is again formally placed before the chair.

Hon. Mr. LAWSON: Then, I so move, Mr. Chairman.

Mr. FACTOR: I am sorry but I must take issue with you when you say that last year's discussion was along exactly the same lines.

The CHAIRMAN: What is that?

Mr. FACTOR: You said that last year's discussion on this point was along the same lines?

[Mr. Leonard W. Brockington.]

The CHAIRMAN: I said it was rather lengthy.

Mr. FACTOR: You said it was along the same lines; Mr. Brockington did not discuss this question last year.

The CHAIRMAN: But Mr. Lawson's motion is similar to the one he made last year.

Mr. DUPUIS: But it was for a different purpose entirely.

Mr. FACTOR: For a different purpose entirely, yes; and we took strong exception to furnishing material that would make information available to competitors of the Broadcasting Corporation. Now we are discussing a different thing altogether, a matter of policy affecting the public generally, and I certainly would distinguish between the discussion last year and the present discussion.

The CHAIRMAN: Well, of course, the same principle is involved.

Mr. FACTOR: Not in so far as I am concerned.

Hon. Mr. HOWE: Surely there is no objection to it, is there Mr. Brockington?

The WITNESS: I am not going to answer that question at the moment.

The CHAIRMAN: Now, Mr. Lawson, your motion is that the minutes of the Canadian Broadcasting Corporation be produced to this committee?

Hon. Mr. LAWSON: My motion is that any minute of the Canadian Broadcasting Corporation relating to the prohibition of a sponsored opinion broadcast be produced to this committee.

The CHAIRMAN: Gentlemen, you have heard the motion; what is your pleasure?

Mr. FACTOR: I just want to make an observation or two before the motion is put.

Hon. Mr. LAWSON: And I particularly have reference, as Mr. Brockington knows, to the subject matter we have been discussing, and with respect to which my questions have been directed.

Mr. FACTOR: I just want to make my position clear. Last year Mr. Lawson brought down a motion and here is what I said in the committee of last year. It will be found at page 19 of the report of last year. I said:—

Mr. Chairman, I think Mr. Lawson, from the wide experience he has enjoyed in parliamentary investigations, will realize that he has gone a little too far. I am ready to concede that, on matters of policy to be investigated within the terms of the reference submitted to this committee—

Hon. Mr. LAWSON: Yes, "within the terms of the reference."

Mr. FACTOR: —Mr. Lawson would be entitled to ask the chairman of the board of governors, or any member of the board, as to their view upon the policy decided. But to file with this committee and make public property the private business of the corporation is beyond all precedent.

Mr. TURGEON: You are reading from the speech you made last year?

Mr. FACTOR: Yes. These regulations and decisions of the board are matters affecting public policy; other than the fact that they do not come generally within our terms of reference I do not see any objection to having them produced.

Mr. WOODSWORTH: I do not know whether this motion has been seconded or not.

The CHAIRMAN: It does not require to be seconded.

Mr. WOODSWORTH: I do rise to oppose the motion. I do not like the way the committee is going. It seems to me that my colleague here is trying to turn this committee meeting into a court, with all the rules of a court applying. I do not think we are a court, by any means. Mr. Brockington is not a prisoner in the box, with Mr. Lawson there as inquisitor, or prosecutor, or whatever you call it—

Hon. Mr. LAWSON: Most of my life I have been defending.

Mr. WOODSWORTH: That may be. It seems to me that the function of this committee is rather different from that. We are here to deal with general matters of policy, and the corporation before us is one of those new creations, or recent creations, that have been gradually extending in our own Canadian public life; that is, an independent corporation. It is obvious that although the Canadian Broadcasting Corporation is an autonomous body it is after all very directly related to the parliament which gave it life, and so there has been worked out this means by which the corporation could be kept in close touch with parliament and could be influenced by the feeling of parliament, and at the same time report to parliament through one of these committees. But I think we will have to remember that this is an autonomous body. Yesterday across the floor of the House a question was asked the minister with regard to certain wages—if I remember correctly I think it was wages paid on the Canadian National Railway—and the minister immediately rose from his seat and said, the corporation concerned, the Canadian National, was an autonomous body and that he could not give detailed information. That has been the general attitude with regard to the Canadian National.

Hon. Mr. HOWE: It was a question referring to the Canadian Broadcasting Corporation, as a matter of fact, that came up in the House yesterday.

Mr. WOODSWORTH: I thought it was the Canadian National, pardon me. That is the kind of answer which has been given again and again with regard to a corporation of this kind, and I think the same thing applies with regard to the Canadian Broadcasting Corporation.

Hon. Mr. HOWE: Nevertheless, we answer questions with regard to policy, policy affecting the public.

Mr. WOODSWORTH: Quite so, Mr. Minister; but it strikes me that we are dealing with general policy and that we have no right to go into details of what took place at a meeting of the corporation.

Mr. FACTOR: That is not what Mr. Lawson is asking.

Mr. WOODSWORTH: I think, however, that if minutes can be produced with regard to just one detail, they can be produced with respect to any others that may be asked for. If we are furnished with a minute with respect to a matter such as is involved in this motion, I think we would have a right to ask for and expect to receive minutes with respect to any other matters relating to the business of the corporation. If we pass this motion we will be setting a precedent. It seems to me that we have a right to criticize general policy; we have a right to know what that policy is; we have a right, if you like, to insist that that policy be placed definitely before the public, if necessary in printed form; but for us to go into all the details of what took place in the gradual evolution of policy I think is quite outside of our purview and it would serve as a notice on our part that the corporation is not performing its functions as it should, and that being the case it is for us to criticize them and to suggest the dismissal of those responsible. But as long as they are responsible, and come before us assuming that responsibility definitely, it seems to me that is as far as this committee can go. And personally I would be very sorry indeed if the Canadian Broadcasting Corporation is to come here subject to detailed criticism and have its books definitely opened to the committee and thus to the general public.

[Mr. Leonard W. Brockington.]

Mr. FACTOR: That is not what Mr. Lawson asks.

Mr. WOODSWORTH: That is a matter of interpretation, I think.

Mr. TURGEON: I think that I must in the main agree with Mr. Woodsworth. Unlike nearly everybody who has so far spoken I am going to be critical of Mr. Brockington and the management generally, and I am inclined to think that the particular incident that we are speaking of and have described as a local incident need never have arisen. I am not saying that in terms of severe personal criticism, but simply in terms of human fallibility. Last year when the question was brought up by Mr. Lawson relating to the production of minutes, if I remember them correctly, he brought up first a particular incident relating to a minute that Mr. Brockington had quoted which turned out later to be not a direct quotation from the minutes.

The WITNESS: Mr. Turgeon, I know you would not place me in a wrong position.

Mr. TURGEON: No.

The WITNESS: I had quoted a minute. It was a direct quotation from a minute, but it was not a minute of a regularly constituted meeting of the CBC; it was a minute of a preliminary meeting before we took constitutional shape as a board.

Mr. TURGEON: I was saying that it was not a board meeting, and Mr. Lawson said that it was for a board sitting.

The WITNESS: All right, sir.

Mr. TURGEON: Then, Mr. Lawson moved for the production of minutes generally and I remember that I took a very strong stand on that occasion. I went so far as to say that if I were a member of the board of governors and such a motion were accepted by this committee, for the production of the minutes of the proceedings of the board of governors, I would feel in duty bound to retire from the board. The Canadian Broadcasting Act which sets up the board of governors makes it especially a representative board. Section 3 of the Act states that they shall be appointed generally representative of the nine geographical divisions of Canada; and that means that every time the members of the board are discussing a question, whether the decision be in the affirmative or in the negative, there is going to be a contradiction of viewpoints from different members of the board, and members will talk with much more freedom if they feel convinced that the general record of their proceedings is not to be circulated far and wide in all the newspapers of Canada. If I remember correctly again in so far as what took place last year is concerned—I am speaking from memory—Mr. Howe, the minister, said that he was given a copy of the minutes after they were adopted by the board as he was sort of their general spokesman in parliament so that he would be fully advised as to everything that had taken place during the past period of the board.

Now, I have been listening with careful attention to Mr. Brockington's answers to the various questions and if I am not reaching a right conclusion I wish Mr. Brockington would tell me. I take from his general answers that there has been no direct minute with reference to what we are calling the McCullagh incident, that is, to Mr. McCullagh's request.

Mr. FACTOR: That is not what Mr. Lawson asked for. Mr. Lawson asked for the production of a recorded minute, if there is one, so far as it affects the broadcasting of personal opinion on a CBC network.

Mr. TURGEON: I am trying to reach that point.

The WITNESS: Might I just point out, in connection with the McCullagh incident so-called—and I do not want to bring Mr. McCullagh's name into it—there was a direct minute passed two weeks ago at a board meeting completely endorsing, with a minority vote of one, the action of the general manager in that matter.

Mr. TURGEON: But that was after the affair.

The WITNESS: There is a minute on that. I want you to understand that.

Mr. TURGEON: That was after the affair. What I am reaching is this, that there was no direct minute previous to the board's refusal to permit Mr. McCullagh to express his opinion on the air either over the CBC network or any chain of private stations, but the decision to refuse Mr. McCullagh's request came more or less as the natural result of a general policy which was evolved over a period of time and during the discussion of which there was no question of Mr. McCullagh's request, because Mr. McCullagh's request had not then been made. I asked Mr. Brockington a while ago whether the discussions which he mentioned as having taken place in December and November, and perhaps in October, were all previous to Mr. McCullagh's request, and if I remember rightly his answer was "yes"; therefore, we come to this point, that the decision to refuse the request of Mr. McCullagh was not based upon a definite minute of the proceedings, either stating that Mr. McCullagh should not be granted the right or stating that no person should be granted the right; but it is rather to a succession of discussions and decisions that took place over a period of time which gave to the management the feeling that their proper interpretation of the board of governors' general policy was that neither Mr. McCullagh nor any other person or authority should be given the right. Now, for the moment I am not discussing the merit of that position. I am simply expressing my thoughts that the decision was reached as a result of no particular definite minute with regard either to Mr. McCullagh or to the exclusion of persons from the air for any reasons at all, but that it was given as an interpretation of policy arrived at over a long period of time.

Now then, if we are going to produce minutes which relate to a conclusion of policy which took place over a period of time, without any definite decision relating to any one theme, then we have got to expose to this committee, and through the committee to the public, practically a record of all the discussions that have taken place from time to time between the board of governors; and that brings us back exactly to where we were when the discussion took place a year ago in this committee. That is why I, purely personally, if it comes to a vote, am going to cast my vote against Mr. Lawson's motion. I want distinctly to say here that that in itself is neither approval nor disapproval of anything that has taken place with reference to Mr. McCullagh's request. That is a matter entirely separate, I take it, from a motion to produce minutes. I am opposing the motion simply because I think it means an exposé of the different discussions, and therefore of the grounds upon which the different policies were reached. I do not think it is right, when we consider the act itself. The resolution of parliament, which found itself reflected in the Canadian Broadcasting Act, sets out a certain duty for the board of governors. It sets out first of all, the manner in which the board of governors shall be chosen—by the Governor General in Council—and then sets before them a certain definite duty. If there were a certain minute relating to Mr. McCullagh, I would be quite glad to have it produced. For instance, there is a minute which Mr. Brockington tells us—which after all is after the incident, and which we can discuss later—is a definite minute relating to what we call the McCullagh incident. I do not see any objection to producing that, so long as it is understood that it is not acceptance of the principle that minutes of the board of governors shall be produced regardless of whether they have definite intention or not.

Mr. FACTOR: May I ask Mr. Brockington one question? He does not need to answer it if it is not a proper question.

The CHAIRMAN: Yes.

[Mr. Leonard W. Brockington.]

By Mr. Factor:

Q. Mr. Brockington, if there is a recorded minute so far as it relates specifically to one item, the prohibition of broadcasting on CBC networks of personal opinion, have you any objection to producing it—A. Well, the position I take is this: I have, as far as I know, given you a perfectly truthful statement of what the situation is. There is no desire to cover up anything at all in connection with this incident or any other incident.

Q. Certainly not; I understand that.—A. I shall always be glad fully and frankly to discuss with this committee any matter dealing with our business. On the other hand, behind it all there is a far-reaching principle and a much deeper principle, which was so admirably stated by the minister before the committee last year, in circumstances which I do not think have changed. However, I am not going to make that argument. If you ask me that question, I shall have to take time to consider it, not because of its importance in connection with this petty discussion, which belongs to the past, and which the future itself and even the present is already in the process of curing, but because it goes much deeper, in my opinion, and affects basically the autonomous position, subject to responsibility to parliament, of this corporation; I therefore am not able to answer that question without consideration of it with such of my colleagues as I can get together. I am sure that whatever answer is ultimately given to that question, if it still remains open to me to answer it, there will be only a desire to protect the very basis of this corporation and its future, and not the slightest intention of covering up or avoiding giving the completest information on this question. I think I have already given it. I know of nothing which I can add; I know of nothing which I wish to take away. There is only one thing which I should like to make just a little bit clearer in everybody's mind, and that is that there is no such thing as a private network. I want you to understand that. What there is is a hook-up of privately-owned stations for specific purposes, for which permission must be obtained from the Canadian Broadcasting Corporation. Our regulations with respect thereto have not been as clear as I would wish; and that is one of the reasons why we are proposing to discuss a new policy with the private stations.

Mr. MARTIN: Mr. Brockington has stated that he has substantially given us, the members of this committee, the terms and substance of the minute. He has already stated, in respect to producing that minute, that he wishes an opportunity of discussing the matter with his colleagues. I suggest that the matter should be suspended until such time as he has had that opportunity. To compel him to produce such a minute in the absence of further discussion which he wishes to have with the members of the board of governors, would, I think, be improper.

The WITNESS: I do want to make it clear if I can, and I am sure the press will take it clearly, that the only question involved in any reluctance or apparent reluctance on my part is one of principle affecting the future of the corporation, and not because there is anything whatever to hide in connection with this matter.

Mr. MARTIN: Quite so.

The WITNESS: I have given you as frankly and as fully as I can the complete truth; and I think it will be substantiated by any further evidence that is submitted.

Hon. Mr. LAWSON: Mr. Chairman, I have no desire to enter into a contentious discussion with any of the hon. members of this committee as to whether there is any distinction between the present motion and last year's, or the result of it. A time and place will afford itself for discussion of that subject matter. At the moment I merely wish to point out that postponing the day of determination from this morning until some other day cannot accomplish

the purpose suggested by Mr. Martin. Mr. Brockington cannot consult with his colleagues, because his colleagues are scattered to the far parts of the Dominion of Canada; and one, to my certain knowledge, is in Florida, unless he has come back within the last couple of days.

The CHAIRMAN: Of course, he has a chain.

The WITNESS: We have a telephone, too.

Hon. Mr. LAWSON: Undoubtedly. The next meeting of the board of governors is in March, as I understand it. So that there may be no misunderstanding, may I say that I have no desire to have the CBC make public property any of their minutes relating to internal management, in the sense of what they do with their employees, whom they hire or whom they fire, whom they engage for talent and so on. That is all beside the question.

The CHAIRMAN: Right at that point, Mr. Lawson, may I interrupt for a moment?

Hon. Mr. LAWSON: Yes.

The CHAIRMAN: What is the difference between producing one minute and five of the minutes?

Hon. Mr. LAWSON: There is a vast difference, as I realize from hearing some of the discussion here. In other words, I have no desire to have the CBC make public something which may be in their minutes and which it may be disadvantageous for them to make public, in their competitive enterprise against private stations in the broadcasting field. To make it clear that my purpose only relates to the large public question of public policy, I wish to make it clear that all I want are excerpts from those minutes dealing with the specific matter which we have been discussing. I think the best evidence I can give of my sincerity is to point out that in the committee last year I was asking for certain information; it was finally suggested that it would be injurious to the enterprise to produce it, but if I would go down to Major Murray's office, the CBC would be glad to give me the information. I went and I saw; and I do not think anyone has ever yet heard me mention what I found out.

The WITNESS: You went; you saw; and you were conquered, I hope.

Hon. Mr. LAWSON: Do not let us get into that question at this time. Suffice it to say that no one has ever heard me mention, either in parliament or elsewhere in a public speech, certain things which I learned there, because I regarded them in a confidential capacity.

The CHAIRMAN: Could we not do the same with this matter, Mr. Lawson?

Hon. Mr. LAWSON: No, Mr. Chairman. At the present time Mr. Brockington himself has indicated here in his evidence that he regards this question of sponsored broadcasts of private opinions as a great public question. He says he wants the assistance of this committee and the suggestions of this committee in helping to find a proper solution.

The WITNESS: For political and quasi-political questions, I said; still, that is all right.

Hon. Mr. LAWSON: All right; it is the same thing. My purpose is to find out what were the actual facts existing at the time that the decision in connection with McCullagh was made. I am not particularly interested in the McCullagh decision; it is merely an incident, and I have some other incidents in my mind which I may want to enquire into a little later on. What I am trying to get are bare facts.

The CHAIRMAN: I suppose you will want the minutes produced in connection with the other incidents which you have in mind?

Hon. Mr. LAWSON: We will cross that bridge when we come to it. Let us deal with one thing at a time.

[Mr. Leonard W. Brockington.]

Mr. HAMILTON: Before this matter goes to a vote, I should like to express some of my views. I want to agree with what Mr. Factor has said, that last year the motion before the committee was much wider than the present one. I, at that time, thought, as he did, that it was too wide to be approved of by the committee. My approach to this whole problem is that we have, as Mr. Brockington has so well said, a nationally-owned and operated broadcasting system, subject to certain limitations and variations of that general principle. In these public ownership matters may I say that it seems to me that public ownership often dies from wounds it receives in the house of its friends; for that reason I wish to be particularly careful, on my own part, to see that we give public ownership of this type a fair opportunity to succeed.

Some Hon. MEMBER: Hear, hear.

Mr. HAMILTON: It seems to me that in limiting this request, as Mr. Lawson has, to a specific minute among the minutes, if it is there, we are boiling it down to this proposition: The CBC operates, I take it, as a unit. Mr. Brockington naturally is their spokesman as head of the organization. He has come in here and he has taken the responsibility for certain matters for the corporation. He has explained how the general manager acted and on what basis he acted in connection with certain matters. It seems to me that in asking for minutes, to either support or not to support what he has said to have been the CBC attitude, we are going behind the scenes, that we are trying to find out if what Mr. Brockington says was the policy of the CBC in these matters is justified. In other words, it seems to me we are questioning as to whether he expresses the true attitude of that unit. To my mind that questioning should come from those who comprise that unit, the members of the CBC itself. Mr. Brockington has taken the responsibility. The only purpose I can see for producing a minute of that type is to find out whether or not what he states is correct. Personally, while I do not see that it would be difficult for the CBC to produce it or that it would hurt them at all—although I do not know—it may be the thin edge of the wedge. It may be that future developments, if we allow it in this case, would indicate that it should be allowed in other cases in which the dividing line might be difficult to draw. My attitude is going to be simply this: I should like to commend the attitude of the chairman of the CBC. I have faith in the attitude he has expounded to this committee as a sound one, generally, for the CBC. I have some doubt as to where the dividing line should be between a sponsored speaker and a non-sponsored speaker; I think it is difficult to find and lends itself to considerable abuses. I think there may be some doubt as to the division between a CBC set of stations or network and private stations or private networks. However, subject to that, this matter is in the hands of what I think to be a very capable group of gentlemen working in the interest of national broadcasting; and unless I see very definite reasons for going contrary to what they express to be their wish, I am going to show my faith and my confidence in them, and oppose this motion if I see fit, as matters develop, to do so.

Mr. MARTIN: May I suggest one thing, Mr. Chairman? Mr. Brockington has himself given us the lead. He wishes an opportunity of discussing this matter with his colleagues. We do not know what his decision will be. If we could allow him that opportunity, I think we might find that this discussion would prove to be of little value.

Hon. Mr. STEVENS: Mr. Chairman, I would certainly be the last member of this committee to place myself in the position indicated a moment ago as questioning the word or bona fides of Mr. Brockington in any respect. That is not the point at all with me. There is obviously a difficulty which I think sooner or later must be ironed out, namely, the difference between published

regulations of the CBC concerning private stations and regulations of the CBC in regard to policy in their own operations. I am not for one moment suggesting that any detailed private operations of the CBC should be spread before the public, such as questions of control of employees and all that sort of thing. But the question of the general regulations or policy, the term Mr. Brockington has used, of the CBC in regard to its own operations is certainly a matter that should be open not only to this committee but open to the public.

The CHAIRMAN: Right on that point, Mr. Stevens—is it not open when we have all the officials of the Canadian Broadcasting Corporation that we can question?

Hon. Mr. STEVENS: Oh, no. That would put the officials in a most invidious position, in my opinion; when I say officials, I mean the chairman and his board, and the officials. The officials are entitled to have behind them some general declared policy which would guide the committee in its questioning and, shall I say, criticism of the corporation. In the by-laws of the corporation itself, which I have here attached as an appendix to the act there is this by-law:—

The board of governors shall cause to be duly entered into one or more books provided for the purpose, the minutes—

The CHAIRMAN: What page is that, Mr. Stevens?

Hon. Mr. STEVENS: That is on page 28. Continuing: “—recording the proceedings and giving the names of those present at meetings of the board of governors and any committee of the board of governors. Any such minutes, or copies thereof or extracts therefrom, and any of the corporation’s by-laws or copies thereof or extracts therefrom, if certified as such by a governor or by the general manager or assistant general manager or by any one else authorized by resolution of the board of governors shall be evidence of such by-law without further proof.

Obviously the intention of that, or the anticipation that is present there, is that extracts might be asked for or might be required.

The WITNESS: In courts of law, I think, usually, is it not? Or to the minister?

Hon. Mr. STEVENS: There is one thing I should like, if I may, to suggest to you, Mr. Brockington. It is that in committees of parliament it is generally accepted that we are entitled to just as broad, and indeed broader, information than is usually produced in courts of law. That is a well-established principle in connection with parliamentary committees. I submit that it is anticipated that extracts might be required; and it is provided in the by-laws that any extracts certified by a governor or any of those officials so authorized shall be accepted as evidence. This committee is entitled to evidence indicating what policy or what decision of the board controls the board in regard to certain operations. I wish to submit to Mr. Brockington very courteously that no harm can come to the corporation, or no reflection can possibly be cast upon the corporation, if this committee asks for the production of the regulations, the minutes, the instrument or the declaration of policy which governs the corporation in connection with the administration of its affairs publicly—not privately, but publicly. So I find myself in this position: I would respectfully urge, and would ask the committee, to urge Mr. Brockington to produce the minutes to which reference has been made. This procedure, I submit, was contemplated when the by-laws were passed; and those by-laws are approved by the governor-in-council. Let me just add one further word. We have before us as a committee of parliament a set-up which has two sides to it. This corporation controls certain private operations by regulation. On the other hand, it is an operating body, competing with those private corporations.

[Mr. Leonard W. Brockington.]

It is very necessary, therefore, in my opinion, in the public interest, that there should be clearly defined the policy of the corporation first as regards to its control of private companies, which is well set forth in the book of regulations, and, by the way, I agree with Mr. Brockington when he says that they naturally will be changed from time to time as the exigencies of administration demand. Then, on the other hand we have the operations of the board itself, the operation of its own broadcasting chain of stations; and thirdly there should be certain well-defined regulations of a broad and general character which govern the actual operation of the board's own stations. Because of these points I find myself in the position where I shall certainly vote in favour of the production of any minute which directly deals with the public policy of the board.

Mr. WOODSWORTH: If I may just add a word, following upon what Mr. Stevens has said, I cannot see that his argument is very well founded because in the general regulations of the Canadian Broadcasting Act there is provision for "contracts with the Corporation," "pronouncements on behalf of the Corporation," "bonding officers and employees."

The CHAIRMAN: From what page are you reading?

Mr. WOODSWORTH: Pages 26 and 27. "Execution of documents." It is all set out there. On page 28 we have this heading, "Set-up and by-laws." The fact that we have these general regulations does not mean to me that the minutes should be produced or that all minutes should be produced, or that a minute should be produced. I am not discussing for the moment this McCullagh incident at all. I am dealing merely with the question of procedure as between this committee and the Canadian Broadcasting Corporation. I do urge that if we produce minutes of one matter that is of interest to one or two members of this committee, we have a perfect right to demand the production of minutes with regard to other matters. Personally I am just as much interested in the wages paid and that kind of thing as in some of these matters with regard to the contracts that may be let. I believe I, as a labour man, have a perfect right to ask that the minutes and regulations with regard to these matters be produced. I do not see why not. If we begin in that way we take away the very purpose for which the corporation was created. Let it go into a department, then. Let the Canadian Broadcasting Corporation become a departmental affair and subject, as it would be, to the whole political pressure that would be bound to follow. I do not want that. I am as much interested in public ownership as anybody. I have advocated it throughout. I believe I am as much interested in democratic control as anyone. One could not sit in this house for seventeen or eighteen years, as I have done, without hoping that public business would be taken out of the atmosphere that prevails in this house. I take it the erection of corporations or commissions is a step away from the political pressure on details of procedure. I think that is the reason for it. It is still in the experimental stage; I grant that. It may be that the corporation might develop into a bureaucracy which we might be called upon to challenge; but I do not think that is so far the case, and we must be careful not to set precedent at this early stage. I am afraid I cannot agree with Mr. Martin's suggestion as to leaving it over. Suppose Mr. Brockington should decline to produce the minutes—

Mr. MARTIN: That is the end of it.

Mr. WOODSWORTH: I am not sure. It places us in a very awkward position as a committee. If we go on the assumption that the position of the committee is supreme, then we will be placed in a very awkward position. Mr. Brockington has definitely set out the general policy of the corporation. That has not been challenged. He has not told us whether there is an express minute or not. It may be that the thing has extended over some time.

The CHAIRMAN: I think he said there was no express minute in regard to the policy.

Mr. WOODSWORTH: We have no information yet as to whether there is an express minute on this particular point. It seems to me that in the circumstances, if we should force a vote on this point, it is virtually equivalent to a vote of lack of confidence in the management of the corporation.

Hon. Mr. STEVENS: No.

Mr. WOODSWORTH: That is my interpretation of it. To me it would mean a vote of lack of confidence in the management of the corporation. Apparently the corporation has come to this decision. We cannot insist that the corporation should be one hundred per cent in favour of it. This will come up again on the 20th. If Mr. Brockington has not correctly interpreted the decision of the corporation he will undoubtedly be dealt with by the corporation itself. Why should we, without the whole of the minutes before us, without the discussions that have taken place, be in a position to decide just what took place, or whether it was wisely done or not? It seems to me we should not force this issue. I hope the committee will vote down this proposal and let Mr. Brockington make his own statement. If we want to bring in a vote of lack of confidence in the governors of the corporation, let us do it frankly.

Hon. Mr. STEVENS: Mr. Chairman, I hesitate to speak again, but I cannot allow the interpretation placed by Mr. Woodsworth upon my remarks to go without a challenge. I am not suggesting for one moment that we should vote lack of confidence in the discussions of the board, or anything of that kind. It is the decisions of the board which reflect public policy, that is all. I am quite certain Mr. Brockington, on reflection, would have no objection to producing it. May I ask Mr. Brockington one or two questions while I am on my feet?

By Hon. Mr. Stevens:

Q. There are no published regulations reflecting the decisions of the board in regard to the control of its own operations?—A. Mr. Stevens, as I said, every resolution that the board takes, every discussion that it makes, is in control largely of its own operation. Obviously it would be foolish to issue a body of regulations as to what the board may not do. At the present time would you want us to issue a regulation that the board will not take a program which contains offensive advertising? That the board will not accept a program, we will say, of Mr. Walter Winchell from the United States? That the board will not allow Fitch's hair tonic to be advertised on Sunday nights with a jazz band? That the board will not do this and this and this? We make decisions like that every month.

Q. I am not suggesting that.—A. These are the regulations.

Q. There is a regulation which you have so eloquently, in your matchless English, described over and over again.—A. Yes.

Q. A regulation dealing with the broadcasting over the stations and the chain of the CBC of unsponsored—I think that is the term—private opinions. That is a principle laid down by the board itself. It is such principles or regulations as that that I have reference to only.—A. Mr. Stevens, I do not think you were here on the second day of the committee meeting.

Q. No, I was not here the second day.—A. I should like, if you would not mind, to read to you the last paragraph from some of the evidence which was given by me before the committee last year and accepted presumably by the committee without question, because I was not cross-examined on any one

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sentence or any one single point of it. Now, I am going to read it to you once again. On page 32 of the report of this committee on Friday last the following appears:—

We are opposed also, and shall always be opposed, to any attempt to buy the right on our network for the advancement of personal opinions or propaganda. If opinion sufficiently informed on the lips of an attractive speaker is available, it will be offered by the CBC without remuneration as a contribution to national enlightenment and provocative discussion.

I explained that "provocative" meant, in my mind, provocative of thought.

The free interchange of opinion is one of the safeguards of our democracy, and we believe we should be false to our trust as custodians of part of the public domain if we did not resist external control and any attempt to place a free air under the domination of the power of wealth.

That was my evidence before this committee last year. I say that the policy of the CBC may have shown in some respects slight inconsistencies; but it was laid down definitely last year before this committee, accepted by this committee, except Mr. Lawson and some other gentleman whose name I forget, because I was not cross-examined in any particular, on that statement of policy. That is the statement of policy which prevailed in October and in December of last year, and prevailed in January and February this year. It was endorsed completely by the last committee, and if there should not be any minutes, I would rest our case completely on that statement, of which the committee has already approved. Now, you may want something further, I do not know. You may have your own reason. I am just drawing that to your attention because I believe you may not have known of it, and some of the others may have forgotten it.

Q. One other question is this. I gather from your remarks that there are no generally recorded regulations directing the general manager of the CBC in regard to the operation of the CBC's own stations and chain?—A. I did not say there were not.

Q. Then, there are?—A. Yes. As I say, they do not add or detract from what I have just read to you.

Q. All I am suggesting is this, that any such general regulations or decisions or whatever you like to call them, applicable to the CBC's own operations ought to be produced.

Mr. Ross: Mr. Chairman, the question before us is whether we want the minutes of the corporation produced before the committee or not, not a minute.

Hon. Mr. LAWSON: Excerpts.

Mr. Ross: It refers not only to excerpts of minutes because once you produce one you can be forced to produce all these things. Mr. Lawson happened to ask for a minute to-day. If we were to allow him to get that minute, then every member of the committee has a right to have any minute of the corporation produced here. For that reason I intend to vote against Mr. Lawson's motion.

Hon. Mr. LAWSON: I do not want to speak again, but I should like to make one suggestion for the consideration of the members of the committee and for the consideration of Mr. Brockington and his Board of Governors. We may as well face the plain fact that the great percentage of the public in this country regard the CBC as a bureaucratic body.

Some Hon. MEMBERS: No.

Hon. Mr. LAWSON: I make that statement.

Mr. ISNOR: In Toronto.

Hon. Mr. LAWSON: I say the great percentage of the public regards the CBC as a bureaucratic body.

Mr. ISNOR: I say in Toronto.

Hon. Mr. LAWSON: You may say what you please. I am entitled to my opinion and I express it. I am not trying to force it upon you.

Mr. ISNOR: You are only expressing your own opinion.

Hon. Mr. LAWSON: I say you cannot give any final answer to the allegation unless you show that the corporation is proceeding along the lines of a well-defined particular policy laid down by the Board of Governors and recorded in the proceedings in this regard.

The CHAIRMAN: It is governed by an act of parliament.

Hon. Mr. LAWSON: Its policy is not governed by an act of parliament. It is left to this Board of Governors. I say that the gentlemen in this committee who talk as some of them did this morning are doing an injury to the very system they want to maintain when they continue the attitude of not allowing the light into the things that are matters of particular general policy.

Mr. FACTOR: I want to move an amendment that Mr. Lawson's motion be tabled until Mr. Brockington takes the matter into consideration.

Hon. Mr. STEVENS: Speaking to that amendment, I think you are extremely unfair to Mr. Brockington when you do that. What you are really doing is inviting Mr. Brockington to come here and refuse to do something before he is formally requested to do it by the committee. It is a most unusual procedure. The motion is the committee requests the production of a certain minute. After it is voted on it will be sufficient for the corporation to give its answer to that. But you are inviting Mr. Brockington to refuse before he is requested.

Mr. HAMILTON: I do not agree entirely with what Mr. Stevens has said. I refer to the idea that Mr. Brockington should refuse or otherwise. I think an element of discretion comes in in these matters. We should consider the fact that harm may be done in divulging extracts or excerpts from certain minutes. You are putting them in a position to-day of saying that it is all right to produce this minute but three or four months hence it may be disadvantageous to divulge another minute. What I should like to know is this: is it in the interests of the CBC to divulge this information? Mr. Stevens has intimated that the extracts from the minutes may be treated in a certain way. I think that may be said with reference to almost anything, but it does not answer the question as to whether it should be divulged or not. The act of incorporation is general evidence, apart from the minutes, that give the authority to the proper officers to carry out the act. That is external. I think it comes to the question of whether they have the authority. That is a matter for those involved in giving the authority. That is, they might not have agreed to it, or things of that nature, and whether the act done by the corporation represents the act justified or warranted by the action of the committee or body or whatever it is, and so I think there is a distinction there with reference to the point taken by Mr. Stevens.

However, I take the stand that I should like to know the view of Mr. Brockington for the reasons that I have stated and whether it is advantageous in the interests of national broadcasting to divulge this information.

Mr. TURGEON: May I say a word, speaking to the amendment, because I am going to ask Mr. Faector to make a slight change in the amendment. I want to say that I do not agree with Mr. Woodsworth that this discussion or request for the minutes is in itself a sign of lack of confidence in the Board of Governors. I believe it is admitted that this is not based on a lack of confidence in the men who happen to form the Board of Governors at all; I think it is deeper, because behind it—and I am not attributing motives to the gentlemen who feel that the minutes should be exposed—is the exposition of a principle which to my mind is utterly contrary to the principle enunciated in the House of

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Commons when it passed the Canadian Broadcasting Act. When Mr. Lawson was interrupted a moment ago by the chairman, I think the chairman said that the policy was laid down by the act. Mr. Lawson said quite correctly, no, the act gives the board the right to make policy. Now, that act is a statute of parliament; it is an expression of the intention and spirit of parliament at the time that the broadcasting corporation was set up. I do not think that we have the right to take any steps that will be looked upon as the breaking down of the spirit which is the very foundation of the act itself. It is the act which created the board; therefore I want to absolve anybody, Mr. Lawson and everybody else, from any question of lack of confidence in the men who compose the Board of Governors. I think the members of this committee have ideas as to how the Canadian Broadcasting Corporation should be carried on, and while there are some things in relation to the different decisions of the board that I would like to be further advised on, I am not going to insist upon that information to the destruction of the very principles upon which the whole broadcasting legislation has been set up; that is the principle of keeping the air as a public domain and not renting it out to private hands.

Now, I am going to ask Mr. Factor to amend his amendment. Would you read that amendment please? I think there should be a little change in it.

Mr. FACTOR: I shall be glad to make any change which may be deemed desirable.

The CHAIRMAN: Thank you, Mr. Factor. I will now read the amendment with the change which has been suggested:

That the question of producing excerpts of the minutes of the board of governors of the Canadian Broadcasting Corporation be left over until considered by Mr. Brockington and the other members of the board.

Mr. FACTOR: I think we will be able to understand it better now.

The CHAIRMAN: Right at this point; I agree with Mr. Stevens that you are putting Mr. Brockington in a very very unpleasant position. Mr. Martin made a suggestion just a few minutes ago, he wanted to know whether Mr. Brockington was prepared to indicate to the committee what effect the production of these minutes would have, if any, on national broadcasting.

Mr. FACTOR: It is not my intention to put Mr. Brockington in any position in which he does not want to be placed. In this suggested amendment we recognize the suggestion that he might like to consider the matter.

The CHAIRMAN: Would you like to have an expression of opinion from Mr. Brockington before he consults his board? Mr. Brockington, is there anything you would like to say?

The WITNESS: There are a few sentences. In the first place, Mr. Martin very kindly suggested that we might care to consider whether the production of these minutes would prejudice the board of governors of the Canadian Broadcasting Corporation. No production, even after the most complete and microscopic inquiry, could prejudice the position of the board of governors of this corporation. I personally do not mind whether every member of the public sees every minute that has been passed hitherto, knows the result of every discussion, because all the public will find out is this, that there have been nine men and women who for some two years have given the most faithful and meticulous service to the protection of the public interest. In so far, therefore, as the production of the minutes is concerned I personally, and I am sure the board of governors personally, do not care who sees them, however closely they examine them, and whatever they find in them. But I do say this: We are not concerned with the prejudice to the board of governors of the Canadian Broadcasting Corporation. As I told you, we are merely the temporary custodians of an ideal; but I think some of us will have very strong

opinions as to the permanent effect on an autonomous corporation which is trying to fulfil its trust to the people of Canada if that thing is to be allowed. Now, with reference to making a decision, either before or after the production of it to your committee, I may say unequivocally that whatever decision will be made by us on the merits will be dealt with in exactly the same method and you will receive exactly the same answer whether you ask me before you make your decision, or whether you ask me afterwards. I therefore suggest that you make your decision and then we will make our answer.

Mr. FACTOR: Then, I will withdraw my amendment in view of that.

Mr. MARTIN: One more question: Mr. Lawson has suggested, at least he has given the impression, that this board is a bureaucratic body. I think it was a very unfortunate statement for Mr. Lawson to make.

Hon. Mr. LAWSON: No, there is nothing unfortunate about it at all.

Mr. MARTIN: I think there is, I think it was a very unfortunate statement for him to make. Now, Mr. Brockington, have you not already given this committee the substance of the minute about which all this unnecessary wrangling is proceeding?

The WITNESS: I have given the substance of any minute that has been passed. I have given the substance of any discussion that has taken place over a number of months. I have given the result of the policy that has been followed, having due regard to what we believe to be the public interest. I will sum the situation up again: It has always been understood that we were not to permit the use of CBC networks or stations for the broadcast of private opinion. That was brought to the attention of this committee last year; and while there may have been some inconsistencies, which I am not prepared to deny and in which we perhaps became involved without proper thought, there has remained and will remain the underlying policy. With reference to private networks we do not recognize the existence of private networks; we look upon them as a hook-up of private stations arranged by the CBC. There has been no definite policy arranged on that, because I think we did not foresee the possibility of that happening. We did, however, stop it in the main; and having regard to the abuse which we believe became apparent in the recent case we approve of what Mr. Murray did in his handling of that event in Ontario. I have said that I personally regret that there was not adequate notice given to the gentleman concerned. That was perhaps inevitable. We ask you to give us your assistance in connection with the formulation of regulations for the future. We are going to consider the private broadcasting situation, the question of private networks.

With the mass of work to be done by this corporation what is to be gained by a continuation of a discussion as to some little event that happened in the past where our conduct was perfectly reasonable, in which we are asking your assistance for guidance in future in some degree? What possible contribution to the Canadian Broadcasting Corporation or to the idea of national radio can be given by prolongation of the discussion? As far as I know I have hidden nothing. I have told the truth. And I may tell you this; that the answer that my colleagues give to this committee having considered the broad questions of public policy will be just the same before you pass your regulation as it will be after you have passed your regulation. Perhaps I should put it otherwise; it will be the same after you pass your motion as it would be before.

The CHAIRMAN: Is there any further discussion on this motion?

You have then withdrawn your amendment, Mr. Factor?

Mr. FACTOR: I have.

The CHAIRMAN: The motion is this:—

That Mr. Brockington bring before the committee any minutes of the board of governors of the CBC looking to prohibit the broadcasting of sponsored opinion over its networks.

[Mr. Leonard W. Brockington.]

Hon. Mr. LAWSON: Will you put in the word "excerpts" there, to make it perfectly clear that what I want to have brought before this committee is excerpts from any minutes relating to the prohibiting of the broadcasting of sponsored opinion over CBC networks. I want to make that clear, I do not want anything else except policy.

The CHAIRMAN: Then, I will read the motion as amended:—

That Mr. Brockington bring before the committee excerpts from any minutes of the board of governors of the CBC relating to the prohibiting of broadcasting of sponsored opinion over its network.

Mr. MARTIN: Would Mr. Lawson allow me to make a suggestion with respect to his motion? Mr. Chairman, Mr. Brockington has given us excerpts from these minutes and the only effect that this motion will have—and I know that Mr. Lawson is sincere in his prosecution—

Hon. Mr. LAWSON: I object with reference to that business of "prosecution."

Mr. MARTIN: The only effect that Mr. Lawson's motion will have, if he will not accept what Mr. Brockington has already said, is to create what I am sure what Mr. Lawson would be the last to wish to create, the impression that you have in this democracy, contemporary with it, a dictatorship in one of these buildings along the river. It would convey that impression, and that impression would be circulated throughout this country. It will do no good, and I am sure will do Mr. Lawson's purpose no good; and I think that having in mind what Mr. Brockington has just said, namely, that he has been giving the material that Mr. Lawson wants, that no purpose can be gained in persisting in the motion; and I submit, as one member of the committee, knowing Mr. Lawson's sincerity and honesty in this matter, I do suggest that he be as magnanimous as Mr. Factor was in withdrawing his amendment.

Hon. Mr. LAWSON: It is not a question of magnanimity. I am dealing with this question on a broad principle, and I do not care if I stand alone in this committee, I am going to stand pat. Here is a public body controlling a great public utility. It purports to lay down matters of policy for the CBC, which in turn must become public policy so far as broadcasting is concerned, because through their control of the wire lines they control the chains. Now, I do not propose to enter into any discussion beyond a statement of that principle; but I say that the CBC in its own interests should not be resistent to but rather anxious to produce the written record of their public decisions in respect of public policy on radio broadcasting. There I stood when I made by motion, there I stand now, and there I am going to stand as long as I am in the Parliament of Canada.

Mr. FACTOR: Mr. Chairman, I must make one observation in reply to Mr. Martin. I do not think the passing of this motion, if it is passed, is going to shake the foundations of the CBC, or national ownership at all. I do not look upon it in that way. The reason I am going to vote for it is because I feel on this particular question of public policy we are entitled, as a matter of principle, to the production of the record.

Mr. MARTIN: On a point of order: I am of opinion that this matter is out of order. Mr. Lawson is asking for something that has already been given. Surely the motion is one which should not be put to the committee. Mr. Brockington has already given the substance of the excerpts of these minutes. Mr. Lawson is asking for what has already been given and I suggest that this motion is out of order.

The CHAIRMAN: You raise that as a point of order?

Mr. MARTIN: Yes.

Hon. Mr. STEVENS: Surely, Mr. Chairman, you could not by the widest stretch of the imagination be asked to entertain that as a point of order. As a matter of fact, if I remember the proceedings correctly, Mr. Brockington did

not quote any minutes; he gave his interpretation. I have not questioned it; nor does Mr. Lawson nor anyone else. The unfortunate part of the situation is that we are putting Mr. Brockington in a position where perhaps we reflect on him; and Mr. Brockington knows me well enough to know that I would be the last one to want in any way to reflect on him. It is simply a question of procedure and the production of facts, and surely we are entitled from a public corporation to request the production of minutes of this kind.

The CHAIRMAN: I do not think, Mr. Martin, if you insist on your point of order, that it is well taken.

Mr. MARTIN: Then I would suggest that you put the question, Mr. Chairman.

The CHAIRMAN: The question before the committee is:—

That Mr. Brockington bring before the committee excerpts of any minutes of the board of governors of the CBC relating to prohibiting the broadcasting of sponsored opinions over its own network.

Is that right, Mr. Lawson?

Hon. Mr. LAWSON: That is right.

On the motion being put it was declared lost, there being five for and seven against.

Hon. Mr. LAWSON: I would ask a recorded vote, Mr. Chairman.

On the vote being recorded:—

Ayes,—Messrs. Lawson, Stevens, Factor, McMillan.

Nays,—Woodsworth, Isnor, Ross (*Moose Jaw*), Hamilton, Martin, MacKenzie, Turgeon.

The CHAIRMAN: Now, gentlemen, it is nearly one o'clock, what is your wish with respect to our next meeting?

Order, please, until we decide what we are going to do at our next meeting. Would you wish to have Mr. Brockington here at the next meeting?

Hon. Mr. LAWSON: Yes. I have several things I would like to enquire about yet.

The CHAIRMAN: I would point out for your information that the Public Accounts committee is meeting on Thursday; to-morrow is caucus day for most of the members; should we meet on Friday? Many of the members of this committee belong to the Public Accounts committee.

Mr. FACTOR: Next week would be better. Personally I would find it inconvenient to be here Friday.

Mr. TURGEON: We might adjourn until Tuesday.

Mr. ROSS: I do not see why we should not meet on Friday. We keep on putting off meetings of committees. Some of us are here all the time and I do not know why members living near Ottawa could not arrange to be here.

Mr. ISNOR: I would suggest that we meet on Friday at eleven o'clock.

The CHAIRMAN: If that is agreeable to the committee we will sit again on Friday.

The committee adjourned at 1 o'clock, p.m., to meet again on Friday, March 10, 1939, at eleven o'clock a.m.

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Radio Broadcast
SESSION 1939
HOUSE OF COMMONS



SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

FRIDAY, MARCH 10, 1939

WITNESS:

Mr. Leonard W. Brockington, K.C., Chairman, Canadian Broadcasting Corporation.

OTTAWA
J. O. PATENAUME, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

MINUTES OF PROCEEDINGS

FRIDAY, March 10, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Factor, Howe, Isnor, Lawson, MacKenzie (*Neepawa*), Martin, Patterson, Ross (*Moose Jaw*), Slaght, Stevens, Thompson—(15).

In attendance:

Mr. Leonard W. Brockington, K.C., Winnipeg, Chairman, Board of Governors, Canadian Broadcasting Corporation;

Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;

Dr. Augustin Frigon, Assistant General Manager, Canadian Broadcasting Corporation.

Mr. Martin asked for information from the Minister of Transport in regard to abolishing radio licensee fees and Hon. C. D. Howe, Minister of Transport, replied briefly. A general discussion on this matter then took place.

Mr. Brockington was recalled and presented a further statement on the policies of the Canadian Broadcasting Corporation. He was cross-examined by the following members of the committee: Messrs. Factor, Lawson, MacKenzie (*Neepawa*), Martin, Beaubien, Stevens and Slaght.

Discussion followed.

Mr. Lawson then asked a series of five questions and requested that answers to them be given as soon as the Canadian Broadcasting Corporation could obtain the information.

Mr. Slaght referred to the last meeting of the Committee and to the vote taken on Mr. Lawson's motion.

The Chairman ruled that the reference and any discussion on the said vote was out of order.

The Chairman informed the Committee that he had received many letters, resolutions and telegrams from various persons and organizations and suggested that as they all were in relation to the Canadian Broadcasting Corporation, they should be forwarded to the General Manager for consideration and reply.

The Committee agreed unanimously.

The Committee then adjourned to meet again on Tuesday, March 14th, at 11 o'clock, a.m.

WALTER HILL,
Clerk of the Committee.

50 cents in the amount of the licence fee does not make any substantial difference in the collection cost. There has been no increase in the cost of collection as the result of the raising of the fee. A loss of 50 cents would mean a loss to the corporation of about \$600,000. It will be recalled that the radio fee was raised a year ago from \$2 to \$2.50 on the urgent representations of the corporation that the plans of the corporation for installing complete coverage of high-powered stations would require a revenue in the year of \$2,700,000, the amount which they receive from this source to-day. When considering the results of last year it is well to remember that the two new stations, one in the Maritimes and one in the prairies, are not yet in operation, and that the estimated operating loss on these two stations is an item that has not reflected itself in the balance sheet to date. As you know, collection is done by the Department of Transport. It was placed originally in the Radio Act as a matter quite apart from the Radio Broadcasting Act. You see, the Radio Broadcasting Corporation is the spending department. As I see it, unless the government and parliament can be persuaded to change the cost of radio from the users of radio to the general tax fund the question reduces itself to whether or not the present fee is unnecessarily high, having in mind the requirements of the broadcasting corporation. It is part of the duty of this committee, I think, to examine the operations of the broadcasting corporation and to advise the government whether in their opinion the \$2.50 is necessary properly to carry on the work of the broadcasting corporation. The government would like very much to receive guidance on that point before the 1st of April, because after all the 1st of April is the beginning of a new fiscal year, and it would very much upset the machinery to change the amount of the fee after that date. Up to that date it can be changed. After all, the fee is anything that the government cares to set, up to that time. A good deal has been said about the amount of the fee. After all, that is out of the hands of the Minister of Transport in a way, in that under the present Broadcasting Act we have practically no control over the expenditures of the broadcasting corporation. This committee, which represents parliament, has a right to say how much the corporation should spend. If they will tell us that I will be very glad to adjust the licence fee to produce the licence revenue which the corporation, or the committee, say is the proper expenditure by the broadcasting corporation. However, I would very much appreciate it if the committee would consider this phase of the matter as an early part of their agenda and make an interim report to the government not later than, shall we say, the 25th of March, which is about the last date that the machinery will permit for the making of any change in the amount of the fee.

Mr. ISNOR: I wonder if the minister would be good enough to explain the advantages of collecting the fee by one department and passing it over to another department to spend; is there any advantage in that?

Hon. Mr. HOWE: Mr. Chairman, it would be very difficult for the broadcasting corporation to collect the fee under present methods. My reason for saying that is, of course, that the fee is a tax, and a tax must be imposed by a taxing authority. I do not think it would be possible to vest the broadcasting corporation with powers of a taxing authority such as would permit them to collect the fee. Another advantage is that we have certain officers in the Department of Transport who are engaged in the collection of fees who are also engaged in other work of the department. For instance, the radio interference staff are also the collecting agency for the fee. I think, as a matter of economy, the department can do the actual collecting better than the corporation could.

The CHAIRMAN: Well, gentlemen, do you wish to discuss this matter now, or shall we leave it until our next meeting?

Mr. FACTOR: It is not merely a question of discussion, Mr. Chairman; I think we will have to examine the officers of the corporation, and also examine their financial statement and their operating statement, and see perhaps if they will co-operate with us with a view to reducing their expenditures to such an extent as will enable us to reduce the licence fee. I do not think the matter is one which can be decided by discussion alone.

Mr. SLAGHT: I have some strong views on this subject, but perhaps this is not the proper time to voice them. If it is, if this matter is to be up for discussion I should like to have something to say, but if not, and if it is to be discussed at a later time, I shall be glad to wait.

The CHAIRMAN: I am of the opinion myself that it is quite a controversial matter and I do not think we could make very much headway at this meeting.

Mr. MARTIN: As I was the one to raise the question perhaps I should say that my main reason for bringing it up at this meeting out of its proper sequence, having in mind what had taken place before in this committee, was because of the presence of the minister here this morning. I think, as Mr. Factor has said, that the question is an all-embracing one, one which will require a review of the financial statement and the operating policy of the corporation. The officers of the corporation will have a chance of having here perhaps next week or at some other time before March 25th the necessary information upon which we can proceed in an intelligent discussion of the whole question.

Mr. SLAGHT: The minister indicated any time up to the 1st of April would be time enough to change the fee if a change is to be made.

Hon. Mr. HOWE: As a matter of fact we need a few days before that, Mr. Slacht. We have to get our instructions out. We must be prepared to receive the license fees on and after April 1st. It takes a day or two to get instructions out to our various branch offices.

The CHAIRMAN: I do not see how we can usefully proceed with a discussion of this matter until we have heard from the board of governors and the officers of the broadcasting corporation, particularly because it is through them that we are to receive the information on which to base our decision as to whether or not the expenditures can be reduced, and examine into what may be possible.

Mr. FACTOR: I think it is only fair to state as a matter of my personal opinion, and I think I voice the sentiments of a majority of this committee, that we would like to see at least a reduction in the licence fee; and perhaps the officers of the corporation, both the personnel of the board of governors and the management, in presenting their financial statement would try to present to us a set-up of a reduced expenditure so as to enable a reduction in the licence fee. With that before us we might be able to discuss the whole situation more intelligently than we can now before that information is made available to us.

The CHAIRMAN: Gentlemen, is it your wish that Mr. Brockington should be heard this morning?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Mr. Brockington, will you please take the stand.

L. W. BROCKINGTON, K.C., Chairman of the Board of Governors, Canadian Broadcasting Corporation, recalled:

The WITNESS: I would like to make a short statement, with your permission, Mr. Chairman.

The CHAIRMAN: Mr. Brockington intimated to me that he has a statement which he would like to make to the committee before questions are put to him.

Hon. Mr. LAWSON: Just before you proceed with that, would you mind having a note taken of one or two items which I think would bring our figures

up to date? We had these figures for last year, but I wonder if some officer of the broadcasting corporation when before the committee would give the following data and information:—

- (1) How many stations are now owned and operated by the CBC?
- (2) How many additional stations are in course of construction, with the approximate dates when they will come into operation?
- (3) How many stations are leased by the CBC and operated by the CBC?
- (4) How many private stations are there in Canada?
- (5) Of the total number of private stations at present existing, how many have arrangements with the CBC whereby they are part of the CBC basic chain? And, would you mind saying whether they are part of the basic chain or private stations that are occasionally used. The distinction I wish to make there is, are they part of the basic chain, obligated to make their facilities available on demand to the CBC, or essentially privately owned stations.

The CHAIRMAN: Mr. Gladstone Murray has taken a note of your request, Mr. Lawson.

Hon. Mr. LAWSON: Mr. Ross would like added to that the power of each of these stations.

Mr. SLAGHT: And also the corporation owning or controlling them.

The CHAIRMAN: What is that, please?

Hon. Mr. LAWSON: Mr. Slacht wants the names of the corporations owning or controlling private stations; the persons or corporations owning such private stations.

The CHAIRMAN: Mr. Murray has that down and the information will be brought here at the next meeting. Now, with your permission, gentlemen, Mr. Brockington will proceed with his statement.

The WITNESS: Mr. Chairman and gentlemen: The matter to which I refer is a recent application for time on the network about which you have no doubt heard or will soon hear. I have thought it advisable that I should be allowed just for a moment to try to pick up the threads of what perhaps has been a complicated discussion. May I turn to the position of the lease of network time and the interpretation of our regulations and policy, and the facts as they stand at the present time: First of all, private stations considered as individual stations are free to accept any broadcast whatsoever of propaganda or opinion, provided that the broadcast falls within the rules as to public decency, fairness and tolerance that have been laid down by us in the published book. There is, therefore, no restriction upon the use of individual stations. We ourselves have arranged, as I have told you, a very large number of talks, and a large number of forums, and we propose to try to improve the field of that arrangement and to extend both the quality and the nature and perhaps the "all-sidedness," if I may coin the word, of the discussions which have taken place to date. I have filed with the clerk of the committee a statement and description of the talks, together with a list of the names of the speakers, that have been given and used since we came into office. I have asked the members of the committee if they will look at that list now in the clerk's hand, in order that they may be as impressed as I am with the variety and I think the fair presentation of all topics discussed to date.

Now, with reference to the regulations or policies of the board—or whatever you wish to call them—which prevail at the present time, there is no right of any individual to purchase time over any network of the CBC, or over any network subsidiary thereto—by which I mean so-called private networks—for the broadcasting either of personal opinions or of propaganda. There can

be no commercial sponsorship of opinion by any commercial company or any profit-making company. We did make exceptions for political parties, of course, and for duly constituted societies. I suggested to you that the term "duly constituted society" was not a good definition; that we proposed to consider a revision of that term; and while recent developments were certainly not foreseen when that phrase was coined or used, the possible developments have been foreseen since recent happenings.

Now, an application was made yesterday by an organization in Toronto with the name of which you are familiar for the right to broadcast next Wednesday over a number of stations the proceedings of a meeting which I take it is quasi political. The application asks, not for the use of a specific private network, but for a network combining a number of the basic stations of the CBC network and a number of stations that are not on the network. Now, it is quite obvious, and we have to be perfectly fair, that as our definitions stand at the moment an applicant representing I take it a properly constituted society—although, that would be a condition precedent—is entitled under our existing regulations to get one of two things: The applicant could either get a CBC network, if it falls within our regulation, or he could get a subsidiary CBC network. The application therefore that was made, and which came through the agency of the private broadcasting agency whose duty it is to arrange for time, was answered in the following terms which I propose to read to you:—

Dear Mr. PASMORE:

That is the name of the gentleman who wrote the letter to the broadcasting corporation.

Thank you for your letter of yesterday's date making formal application for permission and for land lines to distribute by radio the proceedings at a Leadership League meeting to be held at Maple Leaf Gardens, 8.30-10.00 p.m. E.S.T., on March 15th, 1939. It is understood that west of Winnipeg lines are required only from 9.00-10.00 p.m. E.S.T.

It is noted that the application has been authorized by a citizens' committee, whose Chairman and Vice-Chairman respectively are the Honourable Dr. H. A. Bruce and Sir Frederick Banting. As the CBC is the sole custodian of network operations in Canada, presumably the citizens' committee is willing to give the assurance and guarantees that have been laid down by the CBC for this kind of broadcast distributed simultaneously by more than one station. The conditions are as follows:—

Properly constituted societies may purchase network time subject to the following conditions:—

- (a) that the society accepts responsibility for the broadcast, indemnifying the CBC against the possible consequences of libel or slander;

Before I read the last paragraph of the letter I want to make a little deviation there which may interest you. I received yesterday a copy of a case in the United States of America called The Summit Hotel versus The National Broadcasting Company. The facts were as follows: An agent arranged with the Lifebuoy soap people for a series of broadcasts in which the main contributing artistic feature was the performance of a gentleman called Al Jolson. The NBC arranged for a hook-up of a number of private stations. The particular broadcast complained of was heard throughout the United States and throughout Canada. In this broadcast Mr. Jolson interviewed a gentleman called Parks who was a golf champion. There was nothing in the script concerning the interview, and Mr. Jolson said to Mr. Parks: "Mr. Parks, what did you do before you became a golf champion?" He said, "I worked in the

Summit Hotel, Uniontown, Pennsylvania." Mr. Jolson said, "That is a rotten hotel." The Summit Hotel obviously did not like that kind of advertisement and they sued the National Broadcasting Company. It was held that, notwithstanding the fact that there were all kinds of agencies intervening, the National Broadcasting Company should be called upon to pay \$15,000 for Mr. Jolson's indifferent opinion of the facilities of the Summit Hotel.

It is quite clear that with a number of these societies, leagues and what not springing up—I am not making any suggestions about this one, but after all we have to be uniform about all these things—and with a number of applications coming up, the indemnification of the Canadian Broadcasting Corporation is going to be a very serious matter. Let us assume for the sake of argument that a league known as The Improvement League of the Province of Prince Edward Island is started, that it has assets of \$5 and has five shareholders. Suppose they say, "We should like a gentleman who has been working as a lumberjack to give us his views on Canadian politics." Then suppose that this gentleman, not having any script—or if he has a script, suppose that he varies from it—proceeds to libel somebody over the air. The Canadian Broadcasting Corporation is then in a very serious position. Therefore, while that has been only dealt with in a very small matter there, we are facing and we are going to face a very serious situation if we do not obtain adequate indemnification for all broadcasts of this type. I just mentioned that by way of deviation, because I thought this committee would be as interested as I was in the experience of Mr. Parks, Mr. Jolson, the National Broadcasting Company and what I am sure—because I do not want to be sued—is the most excellent hotel, the Summit Hotel at Uniontown, Pennsylvania.

If I may, I shall return to the letter, which continues as follows:—

Properly constituted societies may purchase network time subject to the following conditions:—

- (b) that each broadcast is prefaced and concluded by an appropriate announcement making clear the nature and auspices of the broadcast and indicating that equivalent facilities are available to opposing views on the same basis;

That, of course, indicating that the CBC provides equivalent facilities for opposing views on the same basis. Continuing:—

(c) that there is no interference with normal CBC program arrangements; I underline that. Continuing:—

- (d) that the broadcast is of sufficient popular appeal and interest to justify its inclusion;
- (e) that the broadcast is within the wording and spirit of our regulations and not in violation of any law.

These, I think you will agree, are all reasonable regulations. This is the letter to the gentleman applying for the Leadership League broadcast. Continuing:—

The policy of planned auxiliary facilities has not yet been completed in detail. It is possible, however, provided the foregoing conditions are fulfilled, to grant permission for a hook-up of stations for the purpose you describe, if the stations concerned are agreeable and if they have the time available.

As you observe in the fourth paragraph of your letter under review, the facilities you desire include a number of stations on the basic network of the CBC. These stations are as follows:—

Then follows a list of our basic stations, after which the letter continues:—

All are necessary parts of the CBC system of national distribution.

Accordingly, permission cannot be granted for the interruption of the [Mr. Leonard W. Brockington, K.C.]

regular national network service on these basic network stations during periods which have been specially reserved and contracted for.

Permission, therefore, is granted for a hook-up of stations as follows:—

Then follows a long list of non-basic stations of the CBC, after which the letter concludes:—

Permission would also be granted for the addition of any other stations not on the basic network that might be engaged to extend your distribution.

I just want to make it clear that if the application had been made for a CBC network, it would have been granted, provided that the time was time which was free from any prior commitments or program arrangements, or that they were such that they could be easily adjusted and that the application came within the terms of this letter. The application has not been made directly for a network of subsidiary stations; but we have indicated that seventeen stations are available for it, if the stations themselves are willing, and that we will grant facilities. I want to make that quite clear. I tried to indicate, and to make it quite clear that the CBC was not satisfied with the definition of "properly constituted societies," and that we proposed, after discussion in this committee, with the benefit of the advice that you could give us, to try to make arrangements which were satisfactory to everybody. Now I just want to reiterate what I said, because I think it is the basis on which you gentlemen, as well as ourselves, would want to work. I hope you will not think it offensive of me if I ask you, when you are dealing with this complicated question of political and quasi-political broadcasting—a question which is going to become far more difficult as time goes on—to try to forget whether you belong to the party which is in power or to the party which may be in power, to try to forget your affiliations and give us, if you can, some constructive suggestions. I do not ask for directions, but I do ask that you try to give us some constructive suggestions in order to enable us to do this thing fairly and properly. It is always going to be difficult, and we should like assistance from you. I take it that this is the principle we want to see established. Economic conditions unfortunately have made equality before the receiving set impossible. The CBC, as far as it can, wants to ensure equality before the microphone. We should like the principle of equality before the microphone to be the principle by which national broadcasting is, as far as possible, governed. I told you before that time is limited. Broadcasting time is limited, and there are a number of other limitations, having regard to the necessity of providing program balance. We are sometimes accused of being arbitrary. I take it that anybody who has the duty of making rules is bound to be sometimes accused of being arbitrary. That is a qualification of anybody making a rule. He has to be a judge at some time, or a law-maker. I suppose one of the most arbitrary things in the world, really, is a traffic light. All the CBC wants to be is to be a traffic light for the air waves of Canada. We want to say, "Go," "Stop," "Wait" and so on, not for the benefit of ourselves but for the benefit of everybody using the kind of highway that we control. We should like to think—and we are going to bend every effort toward achieving that end—that the traffic light is operated so that the farmer in the horse and buggy gets the same rights as the millionaire in the Rolls-Royce. We hope that every man in this committee and every applicant for time on the air would like that kind of thing to happen. I do not know what we are going to be able to do with all these applications. I take it that we are going to be flooded, in the next few months, with applications from all kinds of societies, political and quasi-political. I cannot believe that anybody in this room wants even an approved society to get preference on a Canadian network because of the amount of money at its

back. I think we have got to develop a scheme, if we can, whereby we are not going to sell time for that kind of purpose, but are going to provide it freely. At our meeting I am going to make a suggestion to my fellow governors, and I should like to have the benefit of the opinion of this committee. I am going to suggest that the CBC set a period a week aside—maybe an hour, maybe half an hour—in which quasi-political societies or political societies will be given free time on the national network. I should like to think that the C.C.F., the United Farmers of Saskatchewan, the Canadian Legion, the Liberal party, the Conservative party, the Leadership League, Mr. Herridge's organization, or any body of men that are grouped together and are giving constructive thought to the solution of national problems, were being treated with complete equality, so that they might all have, in turn, without fee, as a national contribution to national enlightenment, an opportunity of expressing their views over the public network. With reference to political broadcasts themselves—

By Mr. Slaght:

Q. May I ask a question?—A. Yes.

Q. Would you include the Communist party in the list you have enumerated?
—A. Would I, personally?

Q. Yes?—A. Yes, I would. I do not know whether my fellow governors would, but I certainly would. You have asked me a question and I will give you my own answer; I do not want it to be binding upon anybody else. My own view is that the finest institution in the world is Hyde Park, and I should like to see Hyde Park on the air of Canada.

As I was going to say, probably there are two difficulties. There is the difficulty of direct political broadcasting during an election time, and there is the difficulty of this political and quasi-political broadcasting within the interval. The CBC has practically decided—and I do not think we have changed from the opinion—that we do not propose to charge political parties money for broadcasting at election times. We are going to suggest to you that you do as they do in England. We should like the party whips to meet the CBC between now and election time, to see if it is not possible to work out a system which will be fair to all parties—and I think perhaps we have got to take cognisance of parties that are not yet formed but which may be formed by the time of the election, having some regard, I take it, to the numbers or representation if that should be the qualifying factor—to see if it is not going to be possible to work out a scheme by which political broadcasting in this country can be given as a contribution by the national radio on a fair basis to the people of Canada.

By Mr. Bertrand:

Q. It will depend upon what is a fair basis, will it not?—A. I know it is going to be difficult. We do not want to be caught in a maelstrom of politics. We do not want the CBC to be ruined by it. We are going to ask you to help us. I thought I should take advantage of the fact that a letter had come from the Leadership League to make a plea to you gentlemen not to be so much bothered by our occasional inconsistencies—which are not denied, as I told you before—but in order to put the matter on a fair basis, to do what you can by suggestions to us, by discussion of perhaps the different suggestions that have been mentioned, to see if it is not possible to arrange a system of political and quasi-political broadcasting in this country as far as possible on a free and fair basis, giving everybody an equal opportunity.

Q. Have you any idea what that basis would be as between a party which is just starting and has just a few members, and a party like the Conservative party which used to have a lot of followers?—A. The problem between elections is a different one from the one at election time. All I want to say

is that I believe that Mr. McCullagh himself—while I do not want to mention his name—and everybody that has the welfare of this country at heart, believes that as far as possible we should have equality before the microphone. May I try to make that clear. I do not want to make a cheap catch-word of it. I want to try to envisage a goal towards which we can all work with good will, and I have done my best to provide it by what I have suggested.

Mr. SLAGHT: Mr. Chairman, the witness and chairman of the board of governors has invited suggestions. May I offer this one with reference to the reply which he has sent to the applicant?

The WITNESS: I did not send it. Mr. Murray sent it.

Mr. SLAGHT: Well, it has been sent officially.

The WITNESS: Yes.

By Mr. Slaght:

Q. As I understand the Leadership League, it perhaps for the moment has not corporate existence; whether it has \$5 or \$500,000, perhaps it is not known. One of the conditions that you set up is that they, the League, should properly indemnify the CBC against possible libel actions. I suggest to you for consideration, at least, that the League might be permitted to indemnify you or that it might furnish indemnity perhaps by way of a guarantee company or by way of a corporation or individual, whose indemnity would assure you that you were definitely protected.—A. I was not making that as a special argument against the League. I know Sir Frederick Banting and the Hon. Dr. Bruce, their two speakers. I do not think they are going to violate any regulations. I was not directing that observation against this application.

Q. I was just afraid that the reply, in calling their attention to what they must do, might make it impossible for the Leadership League, without corporate existence—if it has not corporate existence—to comply technically with what you suggest; and I think that ought not to stand in the way of their request at all, if they furnish indemnity from a responsible source, even though it was not the Leadership League which signed the bond or whatever form you decided upon.—A. Quite so. That was not going to be a stumbling block at all in this instance. That was not intended.

Mr. SLAGHT: I do not know whether or not the witness has joined the League, inasmuch as he has adjured the members of the committee to forget party advantage and work for the common good. Perhaps he will indicate whether or not he has his button yet.

By Mr. Lawson:

Q. In the reply sent by the CBC to Mr. Pasmore, one of the conditions precedent contained in it something about sufficient popularity of the opinion broadcast or something to that effect. Would the chairman be good enough to read that one again, because I should like to ask a question about it?—A. I think, as a matter of fact, it is the exact statement that was given by Mr. Murray in his original letter to Mr. McCullagh some time ago.

Q. I am not interested in that. Would you tell me what the condition is?—A. It is as follows: "That the broadcast is of sufficient popular appeal and interest to justify its inclusion." I would not have the slightest doubt that this proposed broadcast fulfilled that condition.

Q. Has the chairman any measuring stick or rule to suggest to the committee that might be used in deciding as to what is of sufficient public interest or popularity? I am not being critical.—A. I know you are not.

Q. It is a problem.—A. As I was going to say, it is something like the famous definition of an archdeacon, to the effect that he is a gentleman who

performs archdeaconal functions. I think you have to determine that as each occasion arises, as long as the determination is performed fairly. I think that is the only way that you can do it. I have no ideas to give.

Q. I take it that your opinion coincides with mine, namely, that the wit of man has not as yet devised a measure?—A. That is right.

By Mr. Bertrand:

Q. A few moments ago you answered a question put to you by Mr. Slaght in connection with the Communist Party—I have not given my opinion, but I will give if it necessary—as to whether it should be admitted or not. You know that in the Province of Quebec, for example, there is a law which is directed against the Communist Party?—A. Yes.

Q. If there is a law like this either in Quebec or any other province would you consider it would be a bar to the admission of this party on the air?—A. Well, as I think I said last year, the truest nationalists are air waves, and the truest interprovincialists and extraprovincialists are air waves, because you cannot stop them coming in. When all is said and done, if a communist speech is broadcast in Ontario or in the state of Maine it reaches into Quebec. I do not believe you should ask me to define what might be the totally different attitude on the part of my board of governors in connection with a matter like that. You asked me if I was in favour of giving the communists rights, and I said "yes" because I think Hyde Park is the finest thing in the world. I think we are the trustees of listeners, including communists. They have, I believe, exactly the same rights as I have. That is my own view.

Q. The only difference is that this is a party which falls within the four corners of an article in the Criminal Code which has to do with a party getting into power by force.—A. Please don't ask me to engage in a discussion in that regard. I do not believe I should be asked to.

Mr. Ross: I should like to ask Mr. Brockington a question.

The CHAIRMAN: Mr. Brockington has finished his statement and I believe Mr. Ross wants to ask a question.

By Mr. Ross:

Q. What are the names, occupations and places of residence of the governors on the board of the Canadian Broadcasting Corporation?—A. Well, I shall begin in the east. Mr. J. W. Godfrey, K.C., is a lawyer and lives in Halifax. He is a graduate of the university of Dalhousie, a Rhodes scholar and graduate of the university of Oxford. He is the first in the east. The next is the Reverend Canon W. Eastland Fuller, Campbellton. Canon Fuller is also a priest in the Anglican church. He is probably distinctive in this regard, that he was the youngest soldier in the Canadian army, as he enlisted at the somewhat absurd age of 13 or 14 and got accepted as a kind of a drummer boy private. In the province of Quebec we have Monsignor Vachon, who is dean of the faculty of science of the university of Laval, a very distinguished chemist, and member of the National Research Council. We then have Mr. René Morin of the city of Montreal. Mr. Morin is a graduate of McGill university, a notary public, and was formerly a member of this house. He is the head of a trust company, and I believe is very highly regarded as a financial man in the province of Quebec.

In Ontario we have in Ottawa Mr. Alan Plaunt, who, if I may say so in his presence—I hope he won't mind—has in my opinion made the greatest contribution to national radio of any individual in this country. He started the activity of the Radio League. National radio has had not only his enthusiasm but a very substantial portion of his fortune ever since it started. Mr. Plaunt is a graduate of Toronto and Oxford. In Toronto we have Mr. Nathanson who is the head of the Famous Players Corporation and is probably known to you all.

In the west we have Mrs. McClung who pioneered in Manitoba and has [Mr. Leonard W. Brockington, K.C.]

interpreted the life of the people of the prairies for a number of years as a novelist of repute and was formerly a member of the Alberta legislature. She now lives in Victoria.

In Vancouver we have Brigadier-General Victor Odlum, who had a distinguished connection first of all with the press and then with the army overseas, and who is well known in financial circles. The last is the somewhat harassed and bewildered man whom you see before you, who is exhibit A in the proceedings of this committee.

Q. I should like to ask you one other question. There has been quite a bit of discussion throughout the country as to whether radio should be nationally controlled or should be in private hands. I should like to ask you, what in your opinion, are the main reasons why the CBC should be publicly owned and controlled?—A. Well, now, Mr. Ross, these reasons were debated very fully in the House of Commons and I may say, I believe, with some power and cogency. Perhaps I can sum up for you what the main arguments are as I recall them, both having regard to the applicability of prior conditions and conditions that prevail at present.

In the first place the whole idea of national radio represents a particularly Canadian need and I believe the reasons are inherent in a country such as ours which has a vast area and scattered population.

I happened to be looking at some figures in Mr. Murray's office last night. I saw there that even to-day 62 per cent of the people of Canada live either in rural areas or in small towns of 1,000 inhabitants or less. Then, there is the particular economic situation. Advertising alone is inadequate to finance any effective Canadian system. It is essential to pool all available resources, whether they be licence fees or government contributions or advertising revenue before you can get the concentration upon adequate programs without a wholly uneconomic duplication of high power facilities.

If the advertising or commercial basis were the primary basis—on which national radio were established, Canadian radio would inevitably gravitate at once not only into the orbit, but into the control of United States commercial chains. That was true prior to 1938 and it is quite true to-day. I believe any honest minded commercial operator would tell you that is an inevitable fact, as the proprietors of the American chains, when I saw them in New York the other day, admitted to me also.

Then there are wave length limitations. There are very few high powered channels available in Canada. This makes radio in Canada a natural monopoly. I believe, if I remember reading the evidence, Sir Edward Beatty admitted that was so before the parliamentary committee of 1932. Is that true, Mr. Plaunt?

Mr. PLAUNT: Yes.

The WITNESS: Then, we come to commercialism, and commercial control of advertising. The profit motive should not be the principal motive for this medium of mass communication which we hope to turn to national enlightenment, entertainment, refreshment and recreation.

I believe Canada needs national radio as a unifying force; I believe it needs it to maintain an honourable and adequate position in the country of nations; I believe, too, that it is only by this means that Canada is going to have the best system in the world eventually. That sounds a little bit like an overstatement, but it is true. I keep emphasizing that to my friends. Nobody sits as Canada sits. You can go and listen to the programs all day from American stations at the present time and I believe you will be amazed after you listen, if you compare them with what is available on CBC facilities during the same hours. Just consider, the favourable position, which we occupy. We are able on one network to give you the best of the NBC, the best of the Mutual, the best of the Columbia, our own national contributions, and contributions from Europe which

when certain representations which will shortly be made have been made, will markedly improve and present the best, I hope, ever produced from Britain for our own consumption.

Now, the Aird commission recommended unified control, national radio. They recommended it because they thought that broadcasting should be co-ordinated in the public interest and that high powered facilities should be developed by a national system.

We believe the Canadian system is distinctive; we believe it suits Canadian needs—and do not forget, we did not invent it. We have just been placed there to administer it and examine it. Some of us once had different views. There were men somewhat in favour of private ownership on that board when they first sat on it. We do not get any personal satisfaction from the administration of the Act. All we are trying to do is to maintain something that we have. All of us have been converted with enthusiasm to the idea that the national way is the only way of handling Canadian radio.

Let me just paint one little image, if I may. There are in the Dominion of Canada a number of places, of beauty where everybody without distinction of class can enjoy themselves with complete freedom and happiness. They are the distinctive contributions of Canada to the enjoyment of Canadian people. On their highways and their by-ways there are no advertisements; within their sylvan retreats, if you like, there are no midways and no noise. They are known as the national parks. They belong to the people of Canada. Now, I want to see, my fellow governors want to see, radio in Canada the national park of the air for the people of Canada. We want to keep it free as we can from the blatancy of the midway, as free as we can from advertising. We hope to make it, as the years go on and as our opportunities and activities increase, a place where the high and the humble, the rich and the poor, can get enlightenment, enjoyment, recreation and refreshment, freely, as a contribution by the people of Canada to the individual members of our great family.

That is the ideal I have before me, and I believe that is the reason why radio in Canada must inevitably be national. Did I answer your question?

Q. Yes, thank you very much.

Hon. Mr. LAWSON: I was in the middle of something the other day and I should like to get back to it if I can get there.

The CHAIRMAN: Mr. Lawson, I understand that Mr. Slaght has a few questions which he wishes to ask Mr. Brockington, as he will be absent from our next meeting. Will you agree to give him that privilege?

Hon. Mr. LAWSON: Yes, but I do not want to be side-tracked too long. I am sitting here quietly and everybody else is getting their chance.

The CHAIRMAN: You certainly won't be side-tracked as long as I am chairman.

Mr. SLAGHT: I appreciate the courtesy Mr. Lawson has extended to me in that way. I have read what was said at the last meeting, not having been here, so I shall endeavour not to trespass and cover the ground that has been covered fairly well.

By Mr. Slaght:

Q. Mr. Brockington, in connection with the McCullagh incident there are one or two matters I want to clear up to my own satisfaction and to direct your attention to them. May I ask you to look with me at the correspondence which ensued in January last, which was tabled in the House of Commons and is contained in a series of letters which have been collected. Have you a copy of them?—A. No, sir.

[Mr. Leonard W. Brockington, K.C.]

Q. Will somebody furnish Mr. Brockington with a copy of these letters? Will you turn to page 15 of the sheets. The correspondence begins with a letter of January 3 written by the general manager, Mr. Murray, to Mr. McCullagh.—A. Yes.

Q. It starts out "Dear George." I am not going through the earlier parts of the letter, but I shall ask you to glance down to the last paragraph but one.—A. Yes.

Q. Incidentally, so far as networks are concerned, there is no longer to be any commercial sponsorship of views on affairs, such as foreign affairs, the subject of Beverley Baxter's talks from London.

It was not thought that Mr. McCullagh was going to discuss foreign affairs, was it?—A. Well, now, Mr. Slaght, I did not know what Mr. McCullagh was going to talk about personally. I did not hear one word that he said. I did not read one word in account of what he said, and apart from listening to what my wife told me that certain ladies at a bridge party were delighted with what he said about youth, I do not now know what he said. As a matter of fact it is no good asking me about the subject matter of Mr. McCullagh's talks, because I do not know.

Q. May I call your attention to this remark in Mr. Murray's letter—I assume it is true.—A. Yes.

Q. He said, "apart from this, however, there is still the basic policy objection to the commercial sponsorship of views on the national network. Since our conversation this afternoon, I have talked with Mr. Brockington, our chairman, in Winnipeg. It was clearly my duty to do this on a matter impinging on policy discussions at recent meetings of the board." He is writing that on the 3rd January.—A. Yes.

Q. He and Mr. McCullagh obviously had a conversation.—A. Yes.

Q. And verbal application was made. He proceeds: Although I presented your application in the most sympathetic and attractive way that I could contrive, Mr. Brockington was unable to help me find a formula of acceptance in view of the general policy of the Corporation.

That is true, is it? Mr. Murray presented over the long distance telephone to you in Winnipeg McCullagh's application, and told you what it was for and what he proposed to do?—A. Well, my memory of the conversation was that Mr. Murray told me that Mr. McCullagh had asked to get the CBC network for the expression of some opinions on something that he wanted to say. I obviously told Mr. Murray at once—I did not need to tell him because he knew—that the CBC policy was that individuals had no right to purchase time on CBC networks for the expression of opinions or propaganda.

Now, with reference to the nature of Mr. Murray's presentation to me and the sympathy and attractiveness of it, Mr. Murray always presents everything in a sympathetic and attractive way.

Q. If you will turn to page 4 you will find what Mr. McCullagh wrote to Major Gladstone Murray. Without dealing with the first part of the letter I will ask you to turn to the third paragraph, which reads as follows:—

My interpretation of the ruling of the board of governors of the Canadian Broadcasting Corporation of Canada, as set out in your letter and confirmed by me on the telephone, is that I, as an individual, am not allowed to purchase time for a series of five talks, to discuss national affairs, excluding any reference to matters of foreign policy. This ruling, I understand, would not apply if I were speaking as a representative of the Canadian Club, the C.C.F. party, or in fact the Communist party. In my opinion this ruling is very unfair and greatly prejudices the right of free speech on a government-owned system of communication.

Now, bearing that letter in mind, is Mr. McCullagh's statement of what he understood to be the policy, set out correctly there?—A. I believe, subject as I say to the fact that this is a kaleidoscopic business, and I am not satisfied, and I do not think anybody is, with the definition of approved societies, he sets it out clearly, yes.

Q. Will you turn to page 12, which is part of a letter which Mr. Murray wrote to Mr. McCullagh. The letter begins on page 9, and is dated January 5.—A. Yes.

Q. This is a reply to the one we have just read. It says:—

Dear Mr. McCULLAGH,—Thank you for your letter of the 4th instant.

Then, I wish you to turn to page 12, about one-third down the page. After setting out certain rulings the letter states:—

These rulings, which apply also to individual CBC stations, but not to privately owned stations, were the subject of the most careful consideration.

Then, we come down to the next paragraph; "nothing in the above is, of course, intended to suggest that the ordinary commercial facilities, network or locally, are not available to the *Globe and Mail* or to any other reputable company." Was that a correct statement that Mr. Murray made in that letter?—A. You quite understand that the interpretation of a letter should be made by the man who wrote it. I did not write it. I do not know. I do say this: in so far as making the ordinary commercial facilities of the CBC network available for the *Toronto Globe and Mail* or any other company for the advertising of its usual services, I think it would be quite correct; but if you read into that the right of the publisher or manager of the *Globe and Mail* to broadcast his own personal opinion, I would say it would not be correct.

Q. May I point out, however, that the application before you which produced this letter was an application by the publisher of the *Globe and Mail*?—A. Yes.

Q. And you told us that Mr. Murray outlined to you what the application was, and I am puzzled to find this in the letter.—A. Don't misunderstand me; I did not say that at all. I said that Mr. Murray on the 3rd of January, 'phoned me and told me what the application was at that time.

Q. Quite so?—A. And the application at that time was an application to have the right to express opinion or propaganda—whatever you want to call it—on a national network of the CBC. This letter, as I take it, is in answer to some other application. Now then, you have asked me this question, does that paragraph express correctly—

Hon. Mr. LAWSON: Excuse me, Mr. Brockington, this letter to which Mr. Slaght refers precedes the other application for a non-basic network.

The WITNESS: What is the date of that letter?

Mr. SLAGHT: It is the 5th. This is a letter of Mr. Murray to Mr. McCullagh under date of January 5. You say that you talked with him on the 3rd and that Mr. Murray wrote Mr. McCullagh on the 3rd. Mr. McCullagh answered on the 4th and Mr. Murray is answering him on the 5th. Now, it puzzles me to find this in the letter, and I should have thought Mr. McCullagh would have taken this to mean what it says. In this particular paragraph in this letter Mr. Murray says:—

Nothing in the above is of course intended to suggest that the ordinary commercial facilities, network or local, are not available to the *Globe and Mail* or to any other reputable company.

[Mr. Leonard W. Brockington, K.C.]

Now, there is only one application before you at the time.—A. All I will say about that is this, that when you want to know what was in a certain man's mind when he was writing a letter you must obviously ask the man who wrote it. I will, however, say this: if that meant, as it can quite properly mean, that there was nothing to prevent the Toronto *Globe* from buying time on the air to advertise the *Globe* itself, as any other commercial company advertises its product; if that is correct in all its implications then it represents our policy. If it can be read to mean that the Toronto *Globe* could have used the time for the expression of opinion of an individual it is incorrect so far as it purports to reflect the policy of the corporation. I did not write the letter. I was not consulted about its terms. Therefore, naturally the only person who can give you an adequate interpretation of what its terms were intended to convey is the man who wrote it. I am telling you what it could not mean if it is intended to reflect the policy of the broadcasting corporation.

The CHAIRMAN: Mr. Slaght, would it not be well to ask Mr. Murray these questions when he is before us? He would perhaps be in a better position to supply the information you want.

Mr. SLAGHT: I just wanted to get the view of the chairman of the board on this matter. When we have Mr. Murray before us he can perhaps give us additional information. The fact of the matter is that there was only one application before the corporation at the time; there was only one application that Mr. Murray was writing Mr. McCullagh about when he says that there was nothing in the regulations to suggest that the ordinary commercial facilities, network or local, were not available to the *Globe and Mail* or to any other reputable company.

The CHAIRMAN: I think Mr. Brockington has given you all the answer that he can on this question.

Mr. SLAGHT: Very well then, we will just leave it at this point, if that is all the answer that is to be made to us.

The CHAIRMAN: You can question Mr. Murray about the matter if you wish, he is here.

Mr. SLAGHT: That will come in due course.

The WITNESS: If I might I would answer that. I did answer it, and the answer I gave was the only answer that I could possibly give. I do not see how any other answer could possibly be given, because to answer in any other way would be to go aside from the truth.

Mr. SLAGHT: Now then, having read the evidence of the last sittings, it seems clear to me that you indicate that Mr. McCullagh's application had it been for a single station privately owned or subsidiary—as you prefer to call it—I will call them "privately owned"; you know what I mean?—A. I do, sir.

By Mr. Slaght:

Q. I think the ruling is a bit thin, myself; because they are privately owned, aren't they?—A. Don't get mixing terms. I have never referred to subsidiary stations. I have referred to a subsidiary network of stations, as subsidiary to our network. I have never suggested that any privately owned station was subsidiary to anything other than the control of its owner.

Q. I had read it the other way. However, as I understand it, had Mr. McCullagh applied for permission of your board to broadcast what he wanted to say over a single privately owned station you would have granted him permission without question?—A. Then, to-day and to-morrow.

Q. Is that correct?—A. Certainly, sir; then, to-day or to-morrow.

Q. Then, to-day or to-morrow; now then?—A. Just a minute, might I go back and correct that answer; you said, "you would have granted him

permission." No application was needed in that case. We do not grant permission for broadcasts on private stations. The only time our permission is involved is when it involves a network.

By Mr. Factor:

Q. Not with respect to single private stations?—A. No. The answer is we would have had nothing to do with an application, and in a case such as that our permission would not have been required.

By Mr. Slaght:

Q. Then for the use of two privately owned stations instead of one it would have been required?—A. Yes.

Q. Would you have granted it?—A. You mean, would I have granted it?

Q. Would he have secured it without interference?—A. I imagine Mr. Murray's interpretation of the regulation being such as it is, and as I said, we approve of his interpretation of them, if such an application were considered as being for a hook-up or network it would have been refused. The situation might not have been the same with respect to two privately owned stations acting individually together.

Q. From your answer. I take it that if his application had been for the use of two stations instead of one it would have been refused?—A. Only in the case of it being for a network, not two individual stations operating together; if it involved the use of wire lines joining the stations the answer is yes.

Q. The answer is yes, he would have been refused?—A. Yes, sir.

Q. But he might have used the two stations by a cumbersome course such as making discs and using the two stations with the same material concurrently; that is, he could have got around it by the disc route; is that correct? —A. In the absence of any valid regulation—to prevent indirect violation of a direct rule, the answer is yes.

Q. Now, was there a violation of any rule which then existed; I understood you to say that it would have been a violation of a valid regulation by an indirect method?—A. I did not say it was.

Q. I thought you were indicating—A. I said that in the absence of any valid regulation—to prevent the indirect violation of a direct rule the answer is yes.

Q. Why do you say "violation," when there was no violation of anything? If he was entitled, as I understand you to say he was entitled, to do it by a disc method, and put out the same speech concurrently over two stations on the air at the same time, what is that a violation of? You suggested that such a practice violated a rule?—A. I suggest to you this, with reference to your suggestion, that if Mr. McCullagh had used two stations there would probably have been nothing said or thought of it; but you know that when the CBC made the regulation and when Mr. Murray interpreted our regulation as applying to a hook-up of stations, Mr. McCullagh's action in the wide use of transcriptions was a valiant and ingenious attempt to do indirectly what we said should not be done directly.

Q. What is the use of calling it a violation of anything, if it was in accordance with what you permitted to be done?—A. You were asking me a question as to what might have happened if Mr. McCullagh had been on one station and had put an electrical transcription on another, and I told you that there was no regulation preventing that sort of thing. I have said this, having regard to the recent experience of the regulations or policies of the CBC, that they should not and will not be defeated by an arrangement of putting electrical transcriptions across Canada in an attempt to use a net-

work in a way that we thought it should not be used; that that was an indirect violation of CBC policy; and I have told you that we propose to consider methods by which that kind of wholesale violation of CBC policy will not occur again.

Q. But at the time there was no rule to that effect?—A. No.

Q. Well, you said a moment ago, that if he had used two stations by way of a network instead of merely one there would have been nothing said about it?—A. Mr. Slaght, I am not attempting to suggest for a moment that there is consistency in these matters, I quite agree there is not.

Q. I am not criticizing, I am trying to get the facts about it first, then it may strike the committee that it was all right. But you did say that had he had a network of only two stations there would have been nothing said about it?—A. No, I did not.

Q. I understood you to say no?—A. I did not, sir. I said a network of two stations would constitute a network.

Mr. SLAGHT: Perhaps I misunderstood you.

Hon. Mr. LAWSON: I think what he said was this; that had he made an application for one station and put a record on the other station there probably would not have been anything heard about the matter.

By Mr. Slaght:

Q. What would be the situation if he extended it to a third station?—A. The same principle would apply.

Q. Could you make it clear to us—and then I will leave this matter—what difficulty there is, if the stations are open to sell the time and the time is available to be used and paid for, in putting propaganda over two stations when it is all right to put it over one; it is merely a wider audience, isn't it?—A. Yes.

Q. Is there any explanation of reasonableness behind such a state of affairs?—A. Mr. Slaght, I wish you had been here the other day when I answered the questions of Mr. Dupuis—I quite agree that to be completely logical it is necessary to make exactly the same rules about individual stations. I do suggest, however, that you cannot for practical reasons carry your logic to the obvious conclusion. I suggest to you that there are one or two reasons why it is necessary to do as we do. In the first place, the cost of an individual station is not far outside the means of anybody who wants the opportunity to state his opinions. In the next place I think, as I said before, that it is always advisable to have some exceptions to prove the validity and advisability of the rule, even to what might look like a beneficent rule. Our duty is in connection with networks, and networks of private stations are all that this corporation is concerned with. We propose as far as possible to put them all on terms of equality.

Q. Well then, Mr. Brockington, Mr. George Drew enjoyed the privileges of broadcasting in connection, you may recall, with his claims to party leadership?—A. Yes.

Q. A series, as a matter of fact. Under what circumstances was he permitted to do that? Would you not call that an individual opinion broadcast rather than any party propaganda, because he was not speaking for a party, he was speaking for himself there?—A. I would call it personally, if you want to know my opinion, I would call it an inconsistency, which perhaps from experience may have proven we were wrong. Obviously this application did not come to me, or to the board of governors. Mr. Murray would be in a better position to answer your questions in respect to that when he is before you. You might ask him. I believe what was in Mr. Murray's mind in connection with this particular broadcast was that it was a border-line case; that is, that it was a matter relating to a duly constituted party. I understand

that both Mr. Drew and Mr. Lawson were allowed network facilities. Personally I am prepared to admit there was some inconsistency—I do not want to be offensive about it. I think both the gentlemen referred to were allowed time on the same basis.

Hon. Mr. LAWSON: Practically, the only difference being that I paid for less.

By Mr. Slaght:

Q. Well, all I want to get at is this; if it is reasonable that such a broadcast by Mr. Drew should be permitted, where he was not preaching any particular party doctrine but was obviously using the network to put forward, very properly no doubt, his claims to the position as party leader; if he was permitted to use a network for that purpose, how do you justify refusing Mr. McCullagh when he requested a similar privilege; that is what I want to know?—A. I never heard of the Drew broadcasts until quite recently. I asked Mr. Murray what explanation he had to offer with respect to them. These things do not come to me, they go to the administration; and it is cases such as these that present the greatest difficulty. It is perhaps difficult to justify the position in this case. I think there may be some inconsistency. There probably is some explanation which Mr. Murray will be able to make to your satisfaction. But, as I have told you, this thing called radio is an ever-changing business; some of the things which were done last week will not be done next week, and some of the things which were done last year will not be done next year.

Q. Did you change a single regulation between the date of the Drew broadcast and the date of your refusal to Mr. McCullagh?—A. I do not know the date, I could not tell you. I do not think there were any changes made in the regulations. I think it was a situation pretty much as was set out by the correspondence which has been placed before you.

Q. Then, there was a Mr. Reid of London—I am instructed, I did not hear him—had a network broadcast in the course of which he expressed personal opinions, and that was a sponsored broadcast; are you familiar with the facts in respect to that broadcast?—A. I am not familiar with the facts but I elicited the information upon inquiry that Mr. Reid did have some time on the network, that he was on the air under the auspices of some insurance company. I was told by Mr. Murray that the application by this insurance company was for the purpose of enabling Mr. Reid to talk insurance while on the air. From information I elicited it appears that as the broadcast proceeded this gentleman included some references to political matters. I have no personal knowledge with respect to it, but if he did that then I presume that is the explanation.

Q. Did he take the air more than once?—A. I do not know, sir.

Q. Perhaps we can get that from Mr. Murray?—A. Mr. Murray can answer all your questions with respect to that matter.

Q. Knowing what you do now about radio broadcasting would you say it was consistent to permit Mr. Reid to do what he did and refuse Mr. McCullagh the opportunity of doing what he desired?—A. If Mr. Reid talked political propaganda or advanced opinions and comments on public questions in a manner that might be controversial over the air, I would think he should not have been allowed.

Q. Would you tell me under what circumstances the broadcasts by Father Coughlin are spread across Canada; I mean to say those carried by the CBC over networks to the Canadian public?—A. Father Coughlin?

Mr. MARTIN: Father Coughlin of Detroit.

Mr. FACTOR: That does not come over the CBC network.

[Mr. Leonard W. Brockington, K.C.]

The WITNESS: I have never heard of the gentleman broadcasting here nor have I ever heard him on any CBC station or network.

Mr. FACTOR: Father Coughlin of Detroit goes on the air over American stations which are picked up quite easily and quite generally by Canadian listeners-in.

Mr. SLAGHT: Then it is an American broadcast; it is not one that is put on over Canadian stations?

The WITNESS: I never heard of it, sir.

Hon. Mr. LAWSON: Like many other things it is picked up by listeners-in quite generally across Canada. It goes on the air over a number of American stations and receiving sets generally can pick it up quite easily.

By Mr. Slacht:

Q. What about Lowell Thomas?—A. Mr. Murray can tell you about that. I think that broadcast is one which is subject to a contract which expires in June. It comes in on just one station in Canada. I think it is an inconsistency but the contract is still running.

Q. I mean, to permit Lowell Thomas to disseminate what he does and to refuse an opportunity for Mr. McCullagh to do a similar thing would you see be quite inconsistent?—A. I would think so, yes.

Q. And you are carrying Lowell Thomas now and will continue to do so?
—A. Because it is subject to a contract which expires in June.

Mr. SLAGHT: Now, that is all for the moment. Later on I want to discuss with Mr. Brockington, Mr. Chairman, some aspects of the national character of the air, but that comes more properly later on.

Mr. MACKENZIE: I would like to ask Mr. Brockington one or two questions, Mr. Chairman.

• The CHAIRMAN: All right.

By Mr. MacKenzie:

Q. The first question I want to ask Mr. Brockington is: during the first day he appeared before this committee, also several times during his second appearance and a number of times since, he has referred to radio as part of the public domain. I wonder if you would care to elaborate on that point for our benefit?—A. Well, sir, my view in this matter is briefly this: We are charged with the administration of a public property which belongs to the people of Canada. It is a public property that has to some slight extent been alienated, but unlike most parts of the public domain instead of suffering from what the equity lawyers call waste, it is enjoying the benefits of very large accretions. Two years ago it was radio; to-day it is radio, plus television, plus facsimile. To-morrow I do not know what it will be; and the view that I have always taken is that we are in the happy position of being trustees, and it lies in our hands to maintain unalienated as far as possible that public domain until we see exactly where the developments are going, and until perhaps our sons have an opportunity of saying what shall be done with it. I, personally, think it is a very great pity to allow the public domain to be alienated at the present time until the whole thing has been surveyed, until we know what it means and our children are given the opportunity of determining the policy. Last year before the committee I said that it is astonishing how soon invested rights become vested rights. I will add this further statement: it is amazing how soon the right to search becomes the right to capture. My view of the public domain at the present time is that, having regard to the fact that it is a property of which the variety, the richness and the use are developing every year, it is the paramount duty of everyone charged with a public trust to see that that domain is maintained inviolate for our successors. That is what I mean by the public domain.

By Mr. Bertrand:

Q. The same argument would apply to waterfalls or any other domain?—
A. In my view it would.

The CHAIRMAN: I believe you have some questions, Mr. MacKenzie?

By Mr. MacKenzie:

Q. What was the cost of your two 50,000 watt transmitters in the east, and what will be the cost of the transmitters in the Maritimes and on the Prairies?—A. My memory is that the two eastern transmitters, with all equipment and everything else, cost, altogether, \$630,000.

By Hon. Mr. Lawson:

Q. That is CBL and CBF?—A. Yes. I think I can say that I could go out in the morning and sell them for many times that value. That is what public ownership means. The Atlantic and Prairie transmitters, I think, on completion, will cost somewhat less. They will cost about \$580,000. The probability is that we would have difficulty in giving them away. That is what public ownership means.

By Mr. Bertrand:

Q. How many stations have the commission in Montreal or in the surrounding district?

The CHAIRMAN: Just a minute, Mr. Bertrand. Would you allow Mr. MacKenzie to finish asking his questions?

Mr. BERTRAND: Certainly. I am sorry if I interrupted.

Mr. MACKENZIE: I have finished.

The CHAIRMAN: All right, Mr. Bertrand.

Mr. BERTRAND: Mr. Lawson wishes to ask some question and I will defer to him.

Hon. Mr. LAWSON: Mr. Chairman, may we sit down? It is rather difficult to stand up with papers in one's hand.

The CHAIRMAN: Yes; by all means sit down.

By Hon. Mr. Lawson:

Q. Although Mr. Slaght covered many of the questions I wanted to ask and elucidated some of the information I wished, I should like to go back for a moment to something I was asking Mr. Brockington at the last sitting of the committee; because in reading over the transcript of evidence I find that I have not yet obtained a definite and clear answer as to certain dates and times. Mr. Brockington, the other day I understood you to say that you thought there was a record in the minutes of the CBC as to the decision of policy of the CBC with respect to not allowing the broadcast of personal opinion on a sponsored program over the basic network?—A. Are you referring to a commercial program?

Q. Do you distinguish between a sponsored program and a commercial program?—A. Do you mean the case, we will say, of Beverley Baxter and the case of Mr. McCullagh, both together?

Q. Yes. They are both the same to me, if they are a sponsored program—that is a program that is paid for.—A. Oh, they are slightly different.

Q. Let us get it clear. Does your policy make a distinction between a commercial and a sponsored program?—A. No.

Q. I beg your pardon?—A. No, sir.

Q. Then there is no difference.—A. Wait a minute—no, not between a commercial program and a sponsored program. But I did try to make it clear, in my opening statement to-day, that the question of the broadcasting of opinion as incidental to a program put on by a commercial organization or profit-making

[Mr. Leonard W. Brockington, K.C.]

organization was one matter which was definitely dealt with a long time ago. I said there was a general opinion always, which was referred to in my evidence last year and crystallized from time to time, and particularly in our meeting in December, as to the purchase by an individual of propaganda or opinion rights on the air.

Q. All right. That is as to policy with respect to the purchase of time on a basic network for the broadcast of personal opinions by an individual. Have I made my premises clear?—A. Yes. My answer to you is—

Q. Is your answer that there is an actual record of a decision of policy in respect to that matter by the board of governors of the CBC?—A. Yes. If you remember my answer, I referred you first of all to my statement before the committee last year. I told you that the matter had come up for discussion on a number of occasions, and there was never any doubt as to the policy. I told you that there was a record of that policy made at the meeting in December—on December 20.

Q. All right; there was a record of the policy. Let us be clear; because if I have to stay here a week, I am going to get this clearly on record.—A. All right.

Q. When you say there was a record of that policy in December, by the words "that policy" you mean not allowing the purchase of time on the basic network for the broadcasting of personal opinion?—A. Yes, sir.

Q. Would you give me the date of the record of that decision?—A. When the record was made?

Q. Yes.—A. The meeting was held on December 20.

Q. That is what I want, the date of the meeting.—A. I think it was December 20. Was that the date, Mr. Plaunt? Is that the date of the meeting?

Mr. PLAUNT: Yes.

An hon. MEMBER: Get the minutes.

Hon. Mr. LAWSON: Try to get any minutes. They voted against that last day.

By Hon. Mr. Lawson:

Q. I have dealt, Mr. Brockington, with the question of a sponsored program which is not commercial?—A. Yes.

Q. On a basic network?—A. Yes.

Q. Will you take the case of a sponsored program which is commercial?—A. Yes.

Q. By commercial we mean advertising something?—A. Yes.

Q. There was a decision of policy in respect of that matter made a long time ago?—A. Yes, made in October, I think, definitely. It had been discussed a number of times, I think. It was finally discussed in October.

Q. Of 1938?—A. Yes.

Q. Is there a record in the minutes of a definite policy with respect to that?—A. Yes.

Q. And that is at the October meeting?—A. I think so, yes.

Q. Would you give me the date of the meeting in October, 1938?—A. I do not recall it offhand.

Q. Probably the secretary of the CBC could supply it to you or some of the officials.—A. I will get you the date. I am not quite sure what the date is.

Q. You do not recall the date?—A. No, except that it was in October—I think at the end of October; but I do not recall the exact date.

Q. At some future meeting probably somebody else could give us that date; or perhaps you could, yourself, Mr. Brockington?—A. Yes.

Q. Now I want to go on to the next thing. Let us first see that we are clear in our terms. By a basic network I understand you to mean stations owned by the CBC, stations under lease by the CBC and operated by the CBC?—A. Yes.

Q. And those private stations which have to take all network programs which the CBC require them to take?—A. Well—

Q. Is that a correct definition?—A. All programs which are in what we call in contract time. I think that is correct.

Q. All programs to which the CBC is under contract to commercial advertisers?—A. No. What we do is this. As I understand it, the general system is that the basic stations are given certain commercial programs. In return for that, they share with us the duty of distributing sustaining programs in their neighbourhoods.

Q. Right. Does that constitute what we mean by the basic network?—A. Yes, I think so; except it may be that for certain purposes it may have added to it certain supplementary stations which are not basic stations proper.

Q. Let me get that primary definition of the basic network. May I take it that all other privately-owned and operated stations may or may not be a non-basic network?—A. They may be, with our permission.

Q. In other words, all other private stations may form a network for the purpose of any particular broadcast with the permission of the CBC?—A. Yes.

Q. Whereupon they become a non-basic network?—A. Yes. I would think that is correct.

Q. Is that correct?—A. I would think so.

Q. Right. The next question is this: Has there ever been a final decision of policy, a rule, a regulation or whatever you want to call it, with respect to personal opinion being broadcast over a network of non-basic stations?—A. I think I answered that question and said that there had not been.

Q. Right. That is what I understood. I am trying to get it clear.—A. All right.

Q. It is the question of whether or not personal opinion shall be allowed on a sponsored program over such non-basic networks that is now being given consideration by the board of governors?—A. The board had decided at its meeting held two weeks ago that its definite policy was that it should no longer be done. At the time of Mr. McCullagh's application, as I think I said, there were three things that happened. There was our own policy concerning our own networks. There were the instructions to the general manager to minimize the setting up of networks. There was the position that we had always had forced upon us by parliament in legislation and in our regulations, of controlling private networks. I said that Mr. Murray, having regard to all these three factors, was perfectly justified in the ruling which he gave.

Q. So I may take it that the board of governors of the CBC at a meeting held in January or February, I am not sure which?—A. February.

Q. February of 1939?—A. Yes.

Q. There was a definite policy with respect to the non-basic networks?—A. Yes.

Q. And that policy was that personal opinion should not be broadcast; is that correct?—A. On a network, yes.

Q. I am talking only about a network?—A. Yes.

Q. A non-basic network?—A. Yes.

Q. And I presume that same minute, by virtue of the adoption of that regulation, confirmed and validated the decision previously made by Major Murray or you or somebody in connection with the McCullagh application for a non-basic network?—A. Yes. I think I told you that one member, going all the way with us except to that extent, did not vote. I thought it was fair to tell you that.

Q. You told us that one member of the board of governors was not at the meeting at all, and there was another member— —A. As a matter of fact, I made a mistake. There were two who were not at the meeting.

[Mr. Leonard W. Brockington, K.C.]

Q. There were two who were not at the meeting?—A. One was Father Vachon and the other was Mr. Nathanson.

Q. Of the five that were there? —A. Seven there were.

Q. Of the seven that were there, one represented the minority opinion on that question?—A. On that question only.

Mr. SLAGHT: By courtesy of my friend Mr. Lawson, I wish to make a few remarks. I was not at the last meeting, and I therefore wish an opportunity to record my personal view as being entirely opposed to the policy of refusing to have these definite resolutions dealing with the policy laid before the committee. I want to put myself on record. I understand it has been dealt with.

The CHAIRMAN: I do not think it is necessary. The matter has been disposed of, and I do not see why we should refer to it.

Mr. SLAGHT: It was disposed of by a vote of seven to five. I was not here and I wanted to be on record for my own protection.

Mr. MARTIN: May I just say that there was not any vote in respect to a refusal to produce any resolution. The vote was in respect to refusing to produce a minute of the directors.

The CHAIRMAN: Or excerpts of the minutes.

Mr. MARTIN: But nothing about resolutions at all.

Hon. Mr. STEVENS: Containing regulations.

Mr. SLAGHT: Containing regulations that have just been referred to this morning. As I understand it, we, a committee of parliament, are not to be allowed to see them.

The CHAIRMAN: Please, gentlemen, come to order. We must not have this thing running wild. At the last meeting a certain motion was put before the committee. Members of the committee who were here voted on that motion, and the motion was voted down. I do not think that we should discuss the matter now. It was settled at our last meeting. There is no use in having it gone over again.

Mr. DUPUIS: Mr. Chairman, I think for the benefit of those who were not here—I was one of them—I should read the motion as put by Mr. Lawson.

The CHAIRMAN: I do not think it is necessary. I think this is entirely out of order.

Hon. Mr. LAWSON: I accept your ruling.

The CHAIRMAN: I have made a ruling that the matter was settled at the last meeting, and I do not see why we should go back.

Mr. DUPUIS: I humbly submit that as we are in a democratic country, if we put a question properly—

The CHAIRMAN: Order. The question was settled, and I am not going to stand for any discussion of it to-day.

Hon. Mr. STEVENS: Mr. Chairman, I rise to a point of order. It is competent for any member to raise the question of re-opening a matter, or rise to the point of re-opening it.

The CHAIRMAN: I understand that.

Hon. Mr. STEVENS: It is done by a vote.

The CHAIRMAN: I do not think it is competent for any member of the committee who was not here during the last meeting to take any exception to what the committee decided to do. I think I am sound on that.

Mr. SLAGHT: I do not agree with that.

Hon. Mr. STEVENS: On a point of order, may I say that a member cannot reflect on it; but it is quite competent for any member at a subsequent meeting to raise a question that has been previously decided and ask that it be reconsidered.

The CHAIRMAN: Probably so. But I do not think it is right for any member of the committee to pass reflections on the actions of the other members of the committee at a previous meeting.

Mr. MARTIN: Mr. Slaght did not do that.

Mr. SLAGHT: I did not intend any reflection whatever. I wanted to record myself as being entirely opposed to such a course of action; that is all. They are entitled to their views.

The CHAIRMAN: To say that the members of the committee, in the opinion of some members of the committee, acted in an undemocratic manner, is a reflection which I do not think is warranted.

Hon. Mr. STEVENS: I have not suggested that.

The CHAIRMAN: You have heard the ruling that I am making.

Hon. Mr. STEVENS: You were looking very intently at me. No one can suggest that I did that.

The CHAIRMAN: The reason I looked at you was probably that I might get some guidance.

Hon. Mr. STEVENS: Oh, no.

Mr. DUPUIS: Mr. Chairman, I do not wish to go back to the motion as it was passed. I just want to put my words, not by way of protest against the ruling of the committee, upon the exact motion of Mr. Lawson. If I compare the attitude of this committee with the ruling and the decision of the cabinet of a government, or for instance, the decision of a municipal council—

The CHAIRMAN: Mr. Dupuis, I must rule that this conversation is not in order.

Mr. FACTOR: There is only one way of bringing this back into the arena of discussion. If any member who voted for the motion wants to bring in a motion now to have it reconsidered, we can reconsider it and discuss the whole thing. There is no motion on the table.

Mr. DUPUIS: Mr. Chairman, I should like to be allowed to put my views clearly. I do not want to go back to that motion.

The CHAIRMAN: Order, please. I have decided that this discussion, reflecting on the attitude of members of the committee who took a certain attitude at the last meeting, is out of order. If the committee wish to sustain the chair on that ruling, it is in their power to do so. I am entirely in the hands of the committee.

Mr. FACTOR: Nobody disputes the ruling.

Mr. MARTIN: I disagree with Mr. Slaght.

The CHAIRMAN: We are wasting time.

Mr. MARTIN: I do not think Mr. Slaght said anything that could reflect on the committee.

Mr. SLAGHT: Certainly not.

The CHAIRMAN: I think Mr. Dupuis is trying to say that we acted in an undemocratic manner.

Mr. DUPUIS: No.

The CHAIRMAN: I think the question is settled.

Mr. DUPUIS: I just want to explain my views.

Mr. Ross: Is it competent for anybody who was not present at the meeting, to raise all the questions that were brought into the last meeting and go over all that chaff and straw again?

Mr. DUPUIS: I have taken cognizance of what happened in the past. I was here during the last meeting but not at the time the motion was passed.

[Mr. Leonard W. Brockington, K.C.]

I appreciate what has been done; but I claim that if any member of this committee wants to have some information, in the same way as a member of parliament who wants to have P.C. No. so-and-so, he should say so. In that case I do not believe the committee should refuse it, if he wants to have it.

Mr. FACTOR: That is the very basis of the motion.

Hon. Mr. LAWSON: That is the basis on which it was refused.

The CHAIRMAN: That matter is closed.

Mr. DUPUIS: It is another matter altogether.

The CHAIRMAN: Kindly proceed, Mr. Lawson.

By Hon. Mr. Lawson:

Q. Mr. Brockington, I want to get down— —A. Thank you for the rest.

Q. I want to get down now to the consideration of the general matter of public policy.—A. Yes.

Q. I presume you would agree with me that the radio is a medium of publicity?—A. I would certainly say that it was being used as one, yes.

Q. It always has been used as one?—A. Yes.

Q. And it would be fair to say that it was a medium of publicity?—A. Yes, I suppose it is. I could not deny it.

Q. The newspaper is a medium of publicity, is it not?—A. Yes.

Mr. BERTRAND: Much more so.

Mr. BOUCHARD: Opinions vary.

Hon. Mr. LAWSON: Wait until I hurt you, anyway, before you howl.

By Hon. Mr. Lawson:

Q. The newspaper is a medium of publicity?—A. Yes.

Q. And would you agree with me that the difference in principle between advocating control of what publicity may be put out through that medium, as compared with what may be put out through a newspaper, resolved itself in its final analysis to the fact that in the case of radio there are a limited number of airwaves and a limited number of broadcasting hours, whereas in the case of a newspaper there is no limit to the number of pages you may put into any one issue or of the number of papers that you may turn out in any one issue? —A. I should think that is a fair statement; but I should like to say this: one major difference, of course, is that radio is being run in this country for the benefit of the whole community, in so far as we run it, but a newspaper is not.

Q. We are now getting into the field of private enterprise as against public ownership. I am trying to keep away from that. I am trying to put it on a basis of analogy, irrespective of who owns it. Then, I should like to ask one other question. I do this because you have made a very serious study of radio since you have assumed your position as chairman of the board of governors. —A. Not as serious as I should have wished; I have done my best.

Q. Can you suggest to me any other difference between the two mediums of publicity which this committee ought to take into consideration in coming to a conclusion as to what measure of control it would recommend with respect to the broadcasting of, we will say, personal opinions over the radio?—A. Well, I should say that there are two, three or four factors, if I can think of them. In the first place your own well-chosen remarks about the limitations of radio service stress an important factor. I refer to the limit of time, location and space. Secondly, I shall add the observation I have already made, that radio is a community enterprise, while a newspaper was intended primarily for publicity. I suggest to you, that publicity is only an incidental use for radio. I take it the future of radio is not intended for that kind of purpose, but that its major and its higher use and purposes are enlightenment, entertainment and

perhaps the education of our people. I believe the fourth reason is this: The fourth reason comes from the second one. The newspaper does not recognize an obligation to see that all points of view are expressed in its columns. The points of view expressed in the columns of a newspaper are largely the points of view of the proprietor. In our case the proprietors of the radio are the Canadian people. The Canadian people have many points of view. There are many facets to our national life that sometimes need to shine; there are many attitudes; there are many aspirations that would like to find expression on the air. I believe therefore that I shall go right back to my idea of the community. What radio really is, is a community medium, designed primarily for things higher and better than publicity. If it is reduced nationally to the level of publicity it can only deal with publicity for all classes in the community, rich and poor, freely and fairly through the medium of the national domain.

Q. In respect of the latter in particular, I assume you say it differs from the newspaper?—A. Yes.

By Mr. Bertrand:

Q. There is no control in the United States in so far as publicity is concerned?—A. Pardon me, there is a very great deal. If you will read my evidence on Friday you will see I placed on record there most important documents with regard to the United States. I placed first of all a letter from Mr. Lenox Lohr of the National Broadcasting Company, showing what the private broadcasters themselves did by way of regulation. I placed a letter on record from the Columbia Broadcasting System, and I placed extracts from the magnificent speech of Mr. McNinch, who is chairman of the Federal Communications Commission which looks after the radio.

Q. I may not have expressed myself clearly, but what I mean is that in the United States there are much more facilities for commercial publicity than there are in Canada, according to the rules of the Canadian Broadcasting Corporation.—A. I do not think there are many more, no, for commercial publicity. Do you mean for advertising in general?

Q. Yes.—A. Certainly, the percentage of advertising on American stations is infinitely higher than it is on Canadian stations. You must remember, they have more wave lengths and more stations, and to that extent it is more extensive. The amount is higher because the number of facilities are more extensive and because of the proportion of time which is given to those facilities.

Q. Is it not due also to the fact that the rules of the Canadian Broadcasting Corporation restrict that?—A. I do not think they are much more strict at all.

By Mr. Martin:

Q. Is not the confusion between you and Mr. Bertrand a confusion of terms? He is speaking of advertising and you are speaking of publicity.

By Mr. Bertrand:

Q. Commercial advertising?—A. Certainly.

Q. Is it not a fact then that some of our community are going to suffer because of the wide publicity that is being given to commercial advertising in the States?—A. If you are moving into this position, I will accept it. I myself, if I had my way, and we could start all over again, would think that the finest thing for Canada would be to have every station belonging to the state or rather to the community. That is the ideal. I realize as every one else must realize that it is probably impracticable in this country. After all, you have a rich nation to the south of you which has commercial radio, and I believe there would be some unfairness to our own population if we proposed that my private ideal be enforced. It is particularly true, also, as the Aird

[Mr. Leonard W. Brockington, K.C.]

commission and parliament have long decided, that there is a place in the Canadian economy for the individual local station, where local needs can be filled, and local commercial objectives can be satisfied.

Q. In other words, the private station should be allowed to exist and to expand?—A. Now, I do not—

Hon. Mr. LAWSON: Do not let us get into the field of expansion.

The WITNESS: I believe you are wrong. I believe certainly they ought to be allowed to exist; nobody has tried to stop them from existing.

Hon. Mr. LAWSON: I tried to get them here last year and the committee ruled against me.

The CHAIRMAN: Tried to get what?

Hon. Mr. LAWSON: Representatives of the private stations.

Mr. BERTRAND: I understand they are coming this year.

The CHAIRMAN: I believe we had better leave that for the moment.

By Mr. Dupuis:

Q. You were talking about the opinions of outstanding citizens of the United States, and you put on the record last Friday those opinions. Do I understand that the United States Congress passed a law upon which were based regulations that applied to private stations preventing them from carrying such talks as were mentioned here? Is there any national law?—A. Yes, what is known as the F.C.C. Mr. Dupuis, I should like to correct you. The information I put in was not from three private citizens. One of the letters was from the president of the National Broadcasting Company, one was the assistant to the president of the Columbia Broadcasting system, and the other was the chairman of the very body to which you are referring, which was created by statute of the American Congress.

Q. All three were private companies?—A. Two private companies and one a government organization.

Q. These regulations are founded on a piece of legislation of the United States Congress?—A. Yes, there is an act governing that.

Q. Do you claim it is more severe with regard to the broadcasting of personal opinions than regulations in this country?—A. I did not say more severe. I said it was about the same. I did point this out, and I believe time will prove me right, that the regulations that the CBC are trying to formulate, with your assistance, are the only regulations that can ever govern broadcasts in the future with complete fairness, and are regulations which the private interests themselves will eventually welcome, even if they do not now; because with any other scheme the future of broadcasting is obliged to be jeopardized and ultimately the interest of the listener is going to be seriously impaired.

The CHAIRMAN: Gentlemen, it is close to 1 o'clock. Before we close I should like to call to your attention a certain amount of correspondence that has been addressed to me from different people in different parts of Canada, Orange lodges, individuals, and so on. I have also received resolutions based upon Mr. Brockington's statement that the broadcasting of beer and wine programs would be discontinued in the province of Quebec after the 31st March. I believe most of these letters refer to the internal management of the corporation.

Hon. Mr. LAWSON: To whom are these letters addressed?

The CHAIRMAN: They are all addressed to me as chairman.

Hon. Mr. LAWSON: Why not refer them to the clerk?

The CHAIRMAN: These people are very serious. If I refer these to the management probably they can answer these people and assure them that some recognition may be taken of the objections they are making.

Mr. BERTRAND: Refer them to the management.

The CHAIRMAN: You want me to answer these letters and tell them that they have been referred to the management?

Mr. BERTRAND: Yes.

The WITNESS: I would welcome questions at this meeting or the next dealing with the situation in Quebec.

Mr. DUPUIS: At the next meeting, or some future meeting, would you answer the objections of a large number of artists who feel they will be put out of work by this decision?

The WITNESS: I shall try, sir, to give you the picture of it as we see it.

Mr. MARTIN: Having regard to what Mr. Howe said about the radio licencees, should we not make up our minds as to what attitude we should take in that regard?

The CHAIRMAN: I do not see how we can discuss intelligently the question of reducing the licence fees or increasing them, or abolishing them altogether until we have heard the management and get some idea as to the set-up, the expenditures and so forth.

The WITNESS: We have advertised a meeting of the board of governors to be held on March 20. This meeting may run into three days, Monday, Tuesday and Wednesday of the week of March 20. While my own arrangements cannot interfere, I take it, with this committee, I have made arrangements to speak at the sixtieth anniversary of the Winnipeg Board of Trade in Winnipeg on the 27th March. A substitution would no doubt be easy but I would not like to break that engagement unless I were obliged to—

Hon. Mr. LAWSON: A substitution of you as an after-dinner speaker would not be possible, Mr. Brockington.

Mr. FACTOR: Would it be possible for Mr. Murray to furnish us with a statement of revenues and expenditures at our next meeting? The problem of the radio licence is a very important one so far as Ontario is concerned.

Mr. DUPUIS: Quebec too.

After some further discussion with regard to radio licences the committee adjourned at 1.05 p.m. to meet on Tuesday, March 14, at 11 a.m.

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SESSION 1939

HOUSE OF COMMONS



(SPECIAL COMMITTEE)

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

TUESDAY, MARCH 14, 1939

WITNESS:

Mr. Leonard W. Brockington, K.C., Chairman, Canadian Broadcasting Corporation.

OTTAWA
J. O. PATENAUME, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

ORDERS OF REFERENCE

MONDAY, March 13, 1939.

Ordered,—That the name of Mr. Hurtubise be substituted for that of Mr. Ahearn on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, March 14, 1939.

Ordered,—That the said Committee be granted leave to sit while the House is sitting.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORT TO THE HOUSE

TUESDAY, March 14, 1939.

The Special Committee on Radio Broadcasting appointed to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the Corporation begs leave to present the following as a

SECOND REPORT

Your Committee recommend that it be granted leave to sit while the House is sitting.

Respectfully submitted.

A. L. BEAUBIEN,
Chairman of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, March 14, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Factor, Hamilton, Isnor, MacKenzie (*Neepawa*), Martin, Patterson, Ross (*Moose Jaw*), Stevens, Thompson, Turgeon, Woodsworth.—(15).

In attendance:

Mr. Leonard W. Brockington, K.C., Chairman, Board of Governors, Canadian Broadcasting Corporation;

Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;

Dr. Augustin Frigon, Assistant General Manager, Canadian Broadcasting Corporation.

Mr. Brockington recalled. He first replied to questions previously asked by Mr. Factor, then presented to the Committee in general terms, the financial set-up of the Canadian Broadcasting Corporation.

Discussion followed.

On motion of Mr. Bertrand (*Laurier*),—

Resolved,—That the Committee do report to the House and ask for leave to sit while the House is sitting.

The Committee then adjourned to meet again on Thursday, March 16, at 11 o'clock, a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

TUESDAY, March 14, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, if you will kindly come to order we shall proceed. At our last meeting Mr. Martin suggested asking the minister to make a statement with regard to radio licences. The minister intimated to us if we liked to make an interim report, after our study, a few days before the 1st of April, the government might consider if it is feasible to change the licence situation.

If it is your wish I think we should take that up this morning for the simple reason that next week the board of governors are meeting in Montreal and the management will be at that board meeting. Is it your pleasure that we should go on with that this morning?

Mr. MARTIN: I think we should proceed with it this morning, Mr. Chairman. If we are going to be able to make a recommendation before the date of expiry or the date beyond which it will be too late to make the recommendation, I believe we should proceed at once.

The CHAIRMAN: Will you make that suggestion?

Mr. MARTIN: Yes.

The CHAIRMAN: Have you any suggestions as to how we should proceed? Should we call on Mr. Brockington, who is the chairman of the board of governors, or Mr. Murray, who is in charge of the finances?

Mr. FACTOR: I suggested at the last meeting that Mr. Murray present to us the financial statement of the revenues and expenditures because it all revolves itself around that question. If it meets with the approval of the committee, perhaps Mr. Murray could do that, if he is prepared to do it, and then we could examine it.

The CHAIRMAN: Mr. Brockington intimated to me that he would like to make a short statement on that. Do you wish Mr. Brockington to answer questions?

Mr. FACTOR: Yes; if Mr. Brockington cares to make a statement that will be all right.

The CHAIRMAN: Mr. Brockington, I believe, has some answers to questions which you asked at the last meeting, Mr. Factor.

LEONARD W. BROCKINGTON, K.C., Chairman of the Board of Governors, Canadian Broadcasting Corporation, recalled.

The WITNESS: Mr. Chairman, what I should like to do, if it were not considered improper by the committee, is to place before them a statement concerning the licence question, which I shall try to do as impartially as I can, although perhaps I may be somewhat biased because of our apprehension and our idea of the needs of the situation. I shall try to make it partly historical and partly, maybe, argumentative. In pointing out the difficulties of any change I shall do it, I hope, without prejudice to anybody who has any other opinions, or who wishes to advance anything supplementary. Before I do that I should like to answer generally Mr. Factor's question, leaving the details of financial operations to be explained by Mr. Murray.

I shall just outline the broad general question. I should like to point out first of all that when I appeared before the committee last year I estimated from figures, of course, given to me at that time a surplus for the Canadian

Broadcasting Corporation amounting to some \$130,000. In the annual report that amount appears as \$88,000. There is no difference between my statement and the report except (subject to this explanation), that the \$88,000 represents the actual cash surplus, and the difference between \$88,000 and \$130,000, which is mentioned, was accounted for by contributions to capital assets out of current revenue. That means that the contribution of capital assets out of current revenue, plus \$88,000 would have made approximately \$130,000, which is the figure I mentioned.

Mr. Factor, I believe, at the first meeting asked questions concerning how the revenue in the year 1937-38 was made up. In that connection I have a very short statement which I should like to put on record.

The annual report of the CBC for the fiscal year ended March 31, 1938, was duly presented to parliament, and has been referred to this committee. It contains, among other things, an analysis of the corporation's finances and operations for the year under review. Appended to the report are the balance sheet and operating statement. After allowing for the adjustment of valuations of fixed assets, there remained on March 31, 1938, a net operating surplus of some \$88,000. Fixed assets were increased during the course of the fiscal year 1938 by approximately \$703,000. Of this increase, \$500,000 was financed by an interest-bearing loan from the government; the balance out of revenue.

I think that should read, "balance out of revenue and some accumulated surplus from prior times."

The net licence and commercial revenue, shown in the operating statement for 1937-38, is \$2,252,732.29. Of this, \$1,896,812.64, is from licence fees. The balance, \$355,919.65, is made up principally of the net revenue from commercial activities. It includes as well such sundry revenue items as premiums on exchange. Indeed, it includes all revenues except licence fees and interest on bank deposits.

By Mr. Martin:

Q. Would you mind giving that figure for licence fees again?—A. This is the fiscal year 1937-38.

Q. Yes.—A. The net licence and commercial revenue shown in the operating statement for 1937-38, is \$2,252,732.29. Of this \$1,896,812.64, is from licence fees.

Now, with reference to the year 1938-39, the fiscal year is not yet ended. Any figures I give you, therefore, can only be estimated in the best and most accurate manner possible.

It is impossible, of course, to give actual figures for the fiscal year 1938-39, which does not draw to its close until the end of March. Speaking generally, it may be said that the estimate of revenue, on which the corporation budgeted for the current fiscal year, is being realized.

If you remember, I said to the committee last year, that we were budgetting for \$3,200,000, of which approximately \$2,700,000 would be licences and sundry revenue and \$500,000 would be commercial revenue.

So far as it can be calculated, a total income of \$3,168,000 is anticipated.

That means we are within \$32,000 of our estimate. I pointed out, however, that when an adjustment between ourselves and the Department of Transport, looking towards a transfer to the department of certain fees deducted for collections, or an adjustment of these fees, the probability is that our revenue will be within a few dollars of what we estimated.

[Mr. Leonard W. Brockington, K.C.]

Of this, the net revenue from commercial broadcasting will be in the vicinity of \$475,000. Expenditures are also being kept within the budget limits. Total expenditures are expected to be approximately \$2,893,000.

By Mr. Factor:

Q. May I interrupt for a moment?—A. Yes.

Q. I wonder if you could tell me how much that amount was increased due to the increase in the licence fees and the change in the requirements making an additional radio subject to a licence?—A. I will get it analyzed for you. I may be able to do it myself when I look at the figures, but I shall tell you in a minute.

After repaying the proper proportion of the outstanding dominion government loan, together with interest, and after providing for ordinary capital expenditures, it is estimated that a surplus of approximately \$275,000 will be achieved at the end of the fiscal year. A moderate surplus is regarded as a necessary precaution of prudent finance. Apart from this general consideration, the corporation has deliberately conducted its business so as to achieve, at the end of the present fiscal year, a reserve against the increased cost of operating the network when the new prairies and maritimes transmitters go on the air.

If you remember, I referred to that. In the setting up of station reserves we acted on the advice of a member of the finance committee, Mr. Nathanson, one of the ablest of our governors. We decided that having regard to the fact we were going to lose a considerable sum of money by the operation of the prairie and maritime transmitters, and because of the absence of revenue from these stations, it was essential that we should carry over a slightly greater surplus than we ordinarily would in order to enable us to operate these stations with safety through the first year of their lifetime.

The committee will, of course, understand that the figures I have given with respect to the current fiscal year are estimates and can be regarded only as the best indication which we can make at the present time.

I am now going to break down for you, and I shall file with the clerk, the income and expenditures in their broad divisions. The income and expenditures for the year ending March 31, 1939, are as follows:—

We expect from licence fees \$2,650,000. We expect from commercial broadcasting, \$481,000; we expect from the sale of lines to non-basic networks, \$21,000; we expect from miscellaneous revenue (rentals, exchange, interest, sale of booklets, etc.) \$16,000, making a total of \$3,168,000. This is subject, of course, to the adjustment between ourselves and the Department of Transport which I referred to a moment ago.

The broad division of the expenditure of \$2,893,000 to which I referred, may be made as follows—any further break-down may be got from Mr. Murray when he takes the stand:—

Program department..	\$1,457,900 00
Station network..	585,500 00
Engineering department..	430,000 00
Administration..	135,000 00
Interest on government loan..	14,600 00
Depreciation of fixed assets..	270,000 00

Making a total of \$2,893,000, leaving an estimated operating surplus of \$275,000.

I should like to add that these are not actual figures, but an estimate.

I should like to add one note with regard to "depreciation of fixed assets." This is a term approved by the Auditor General. The amount is the equivalent

of the \$50,000, repaid on the Dominion government loan and the capital expenditures made out of current income.

Now there is also one further set of facts which I want to put on record, because I believe it will be very material when you deal with the licence fees. In the first place I would like to say that the finances of the Canadian Broadcasting Corporation are the object of particular care by the finance committee. The finance committee consists of the three gentlemen whose experience and life work has brought them into the most intimate contact with finances. These gentlemen are: M. Morin of Montreal, Mr. Nathanson of Toronto and General Odlum of Vancouver. I am an ex officio member of that committee. The committee meets at various times during the year, usually before the board meeting, and sometimes more frequently. Our budget is made up in this manner: the heads of the various departments and the people connected with the expenditure of money gather their requirements. They are then referred to what we call the five budget masters, five individuals who are charged with the financial supervision of the five main departments of the Canadian Broadcasting Corporation which, for convenience, has been divided into the following departments: secretarial, treasury, program, engineering and commercial and publicity. The budget masters referred to are Colonel Landry, secretary; Mr. Baldwin, the treasurer; Mr. Weir, commercial and publicity; Mr. Bushnell, programs and Mr. Olive, engineering. After these gentlemen have gone through the estimates for their budgets they are presented to the general manager and assistant general manager, who cut them down and pare them as they should. They are then referred to the finance committee, approved or amended by the finance committee, submitted to the board of governors, then duly passed. There are a large number of internal controls which Mr. Murray will explain to you. It is sufficient to say that the finance committee exercises periodical supervision over the progress of budget expenditures, and that no expenditure is authorized unless it falls within the subdivision of the budget approved by the board and the finance committee. Further, all expenditures are subject to continuing audit by the government auditors. There have been in the past, no doubt, opportunities for making improvements in the check and control system; and experience is always finding out ways—and I hope will continue to find out ways—to improve the situation.

I want to explain to you that, before any programs can be put on the air, the following general administration charges must be paid. I want you to pay particular attention to this, if you will be good enough to do so. I shall give you the figures for 1938-39 in detail, and I shall give you the gross figures for 1939-40, because they have not yet been properly broken down. Before anything can go on the air, the following charges have to be paid:—

	1938-39
(a) Engineering—Operations, Salaries	223,000 00
(b) Wire Lines	540,000 00

That represents the money which was paid out in 1938-39 to the railway companies for the services we obtained from their wire lines. Continuing:—

(c) Principal and Interest due to the government	64,500 00
(d) Rents	100,000 00
(e) Light and Power	40,000 00
(f) Replacement Tubes	25,000 00
(g) Performing Rights Society	44,000 00
(h) Lines	20,000 00

Total \$1,056.500 00

[Mr. Leonard W. Brockington, K.C.]

That is the total for 1938-39. That total for 1939-40, having regard to the operation of the two large stations, will amount to \$1,423,000; and no doubt the overhead, as services increase, will itself increase.

By Mr. Bertrand:

Q. This does not include anything that is paid to the artists?—A. No, sir.

By the Chairman:

Q. Those are fixed charges?—A. Yes, those are fixed charges.

By Mr. Isnor:

Q. Have you worked out on a percentage basis the relation of the gross amount of fixed charges to the gross amount of licence fees, from the number of licences which are issued?—A. That could easily be done. I have not done it. If the fixed charges amount to \$1,100,000, and the total revenue from licences amounts to \$2,650,000, that is pretty close to 43 per cent, I would guess.

Mr. THOMPSON: Mr. Chairman, it is quite obvious to me that if we are to intelligently discuss the licence fee, we must have some more detailed statement of our expenditures. The question is not as to the abolition of the licence fee but as to whether the licence fee, at the present time, is excessive.

The CHAIRMAN: Right at this point, Mr. Thompson, may I say that Mr. Martin's suggestion was that the licence fee might be dropped completely and that the revenue might be obtained from some other source.

Mr. THOMPSON: I am well aware of that fact; but my contention is that, before we consider the dropping of the licence fee or even the reducing of it, we should have a more detailed account of the expenditures. Not very many days ago Mr. Lennard, M.P., put a question on the order paper asking for the personnel of the CBC and for the salaries, expenses and allowances. I have here a clipping from Hansard when this question was up in the House. It reads as follows:—

Hon. Mr. HOWE: This question is obviously out of order. It refers to the internal management of an autonomous corporation.

Mr. SPEAKER: Dropped.

Mr. MANION: The question might be referred to the radio committee.

Hon. Mr. HOWE: Yes, it is a very proper one for the committee.

We should know in detail how this money—\$2.50 for each radio in Canada—is being spent. We should examine the figures carefully and see whether the money, in our estimation, is being judiciously expended. That, to my mind, is the question that we should consider; because it is quite obvious that the users of radio should pay for it. Otherwise it would be a question of the whole of the people paying for what some of the people are enjoying. There is the question. What we want to arrive at is what would be a fair fee for the radio users to pay. It is quite a common idea in the country to-day that too much is being paid.

Mr. WOODSWORTH: Is not the statement we are getting now what you have reference to?

Mr. THOMPSON: We are not getting it in detail. We are getting it in a lump sum, as it were.

The CHAIRMAN: I might say that we should go at this thing gradually. Mr. Brockington, who is the chairman of the board of governors, has given us the general set-up, the fixed charges and so on. When Mr. Murray takes the stand, the detailed proposition will be gone into just as far as the committee wishes it to be gone into. I think we should do it by the proper stages, and I think this is quite informative to the members who are interested.

The WITNESS: I might say, Mr. Thompson, that that was my intention. I thought I made that clear. I was giving just the general figures. After all, I know nothing of the details of administration. That is not part of my duty. Mr. Murray will analyse the figures; he will answer any questions you wish to ask on the general figures which I am giving. In the meantime, I should like to proceed, if the committee do not mind, just perhaps to answer in anticipation some of the arguments. I should like to make what I say useful to the committee, in order that they may have some information before them. I should like to talk about the licence fee.

By the Chairman:

Q. Right at that point, Mr. Brockington, I should like to point out that you have established there fixed charges, before you can put any programs on the air, of \$1,423,000?—A. Yes. I should like to deal, for a moment, with the reason why a licence fee was chosen as being best for the operations of the Canadian Broadcasting Corporation. Subject to the right to examine anything and inquire into anything, I should like to say that, from inquiries made, it is my considered opinion that there is no broadcasting system in the world facing anything like the difficulties of time and space which are being faced in Canada, which is operating a service as large as the one we operate, on anything like so small an amount of money. I think, if any inquiry is made as to the operations in other countries, that will be the definite and final conclusion you will reach. In the first place, it was always considered that the only proper way to finance a purely national and proper Canadian system was by means of a licence fee. It was felt that, even if advertising were the sole basis, the total advertising revenue within Canada could never be sufficient to enable a national system to be operated from coast to coast, and to perform the functions which you have assigned to a national system—functions which I have detailed to you on many occasions before, and which I am sure you now know by heart as well as I do. It was felt, too, that the main virtue of the licence fee was that the service was paid for by the people who enjoyed it. In other words, it is a burden upon the people who enjoy the results of broadcasting. It has the advantage of a direct tax in that it tells the truth to the people on whom it is a burden. I am quite aware that an indirect tax is not popular, that a direct tax is more popular.

By Mr. Ross:

Q. It is the other way around, Mr. Brockington, is it not? You said that a direct tax is popular.—A. No, it is not popular, I mean. It should be the other way around. I am quite aware of the comparative popularity of the two forms of taxation, if any form of taxation can be said to be popular. I do draw your attention, however, to this fact—and perhaps I can illustrate it best by a story that a member of this committee told me, if he does not mind my telling it. I do not see him here. He said that down in his home town in Ontario a man came to him the other day and said, "That is a terrible licence fee, that \$2.50 for the radio." He said, "I hate it; it is rotten." My friend on the committee said, "Well, I was at your house at a party last night, and it was an excellent party. There were a great many of your guests there; and, if I remember rightly, there was consumed a considerable number of bottles of whiskey and wine. I calculated that as a result of that party, for that one experience of last night, you paid to the Dominion government a licence fee of not less than \$15. The \$2.50 licence fee that you pay for your radio brings enjoyment to yourself and to your family for the whole period of twelve months." That is a fact that is not always recognized by the people who object to the principle of direct taxation.

[Mr. Leonard W. Brockington, K.C.]

By Mr. Woodsworth:

Q. Mr. Brockington, why do you call it a tax? Why not use the term "fee," just as you would if you were referring to what you pay for admission to a picture show, a concert or anything else of that nature?—A. I thank you for the idea. All right; we will call it an admission fee to the Canadian air.

The CHAIRMAN: That is far better.

The WITNESS: The third reason is that all public systems throughout the world are financed by licence fees. I put on record last year what the licence fees were at that time, and I propose to put them on record again. There is no record, as far as we can find out, of any national public system financed in any other way. In the main, I can say that the Canadian licence fee is considerably less than the licence fee in most other countries; and it is less than almost any, provided that the factors of the cost of living and so on are taken into account. I think only two countries have licence fees less than ours. One is Morocco; the other one is Newfoundland which joined our system last night and has one station.

By Mr. Bertrand:

Mr. Brockington, can you give us the fees in ten or fifteen countries?

The CHAIRMAN: He is going to do that.

The WITNESS: I have that information here. I can give you this in present or former gold parity, which perhaps is the best way to give it, although some adjustment for fluctuating exchange may make a difference.

By Mr. Martin:

Q. When you are giving this, you might indicate, if you can, to what extent in each country the radio system is state-owned or partially state-owned, if you will.—A. Well, I am presuming that it is state-owned pretty well in all countries; in some, however, it is not very well organized.

Q. Yes?—A. For instance, France has not a very well organized system. Shall I file this or shall I read it?

By Mr. Bertrand:

Q. Read it, please.—A. Very well.

Receiving Licence Fees—Other Countries

	Native currency	Present or former gold parity	Can. Equiv. 21 Feb. 1939
Australia.	21 S.	\$5 11	\$3 96
Belgium.	60 Belga	6 00	2 02

I think perhaps I should leave out that last amount, because there are so many factors to be considered. I think if I give you the present or former gold parity it would be the fair way to do it. Continuing:—

	Present or former gold parity
Bulgaria.	\$2 45
Denmark.	2 68
Finland.	2 52
France.	2 95
Germany.	5 71

	Present or former gold parity
Great Britain.	2 43
Hong Kong.	2 93
India.	3 65
Italy.	4 22
Japan.	2 99
Morocco.	1 95
Newfoundland.	2 00
New Zealand.	6 08
Norway.	5 36
Singapore.	6 80
South Africa.	8 52
Sweden.	2 68
Switzerland.	2 90

There are all kinds of factors that make those things different in various countries. That is really about all I can say, except that in the main our fee is not higher; in fact, in the main, it is lower. All the difficulties due to time, space and other matters on this continent—the many wire lines we have to have supplied and so on—are obviously greater.

I may say, too, that in most of these countries nothing approaching the complicated national system that has been raised by us exists for the entertainment of their listeners.

The licence fee principle has always been adopted in Canada.

Mr. MARTIN: Would you care to tell us, Mr. Brockington whether in any of those countries grants are made by the state from its exchequer?

The WITNESS: I did say, Mr. Martin, I think, that as far as we can find out there is no grant. There is no grant in the main; there may be a supplementary grant. I rely very much on this from the investigation of Mr. Plaunt, and I think his information to me was that there were no such grants.

The licence fee principle has been adopted in Canada always. In 1922, when it was started, there was a fee of \$1. That fee of \$1, when there was no national radio and practically no service at all, went through until 1932 and part of 1933. During that time about \$1,000,000 was taken out of the Canadian listeners and put into the Consolidated Revenue Fund. It was never used for broadcasting purposes.

It went as a dollar until 1932. It was increased to two dollars after 1932. The fee recommended by the Aird Commission was \$3. If I may, I shall read what they said:—

The information we have received seems to indicate that listeners would not be averse to an increase in the licence fee, if an improved Canadian broadcasting service could be provided. In Great Britain the fee is ten shillings (10/) per annum. In Germany and Japan, an amount approximately six dollars (\$6) a year is collected. In Australia, the annual fee is twenty-four shillings (24/). We are of opinion, however, that while the present fee should be increased, the amount should not be so high as to prove burdensome for those of limited means. A fee of three dollars (\$3) per year would seem reasonable and would at the same time yield a fair amount of revenue. We recommend that the fee be fixed at this amount.

[Mr. Leonard W. Brockington, K.C.]

The special parliamentary committee of 1932, which was unanimous, recommended an increased fee. The recommendation was adopted by order in council, and I should like to read their recommendation:—

Your committee further recommends that the cost of radio in Canada be self-sustaining and that only the money available from transmitters' and receivers' licence fees, and advertising income, be expended, and that the question of the amount of receivers' licence fees be left entirely in the hands of the Governor in Council.

A further recommendation was:—

That a nationally-owned system of radio broadcasting be instituted, and that all stations required for its proper organization be eventually acquired, same to be financed from the revenue accruing to the business of broadcasting, without expense to the taxpayers, through the public treasury.

The system of 1936, which you gentlemen brought into being, was founded and predicated upon an increased fee.

Mr. MARTIN: No, sir.

The WITNESS: Well, I do not say that it was in words, but it certainly envisaged a progressive national service, which, in our opinion and in the opinion of anybody who examined the Act and the conditions under which we took office must agree, could not be effected without an increase in revenue. As the only form of revenue provided for in the main was licence fees, I suggest that for us to carry out the progressive service that was imposed upon us in 1936 those who drew the act must have presaged such an increase.

Mr. MARTIN: Would you allow me to interrupt for a moment, Mr. Brockington? I think this might be a convenient point for me to state my position, having in mind what you have just said. I believe in state-owned radio.

The WITNESS: I know, yes.

Mr. MARTIN: I think it would be a great mistake at this time to let the impression go abroad that I have in mind trying to cut down on the fundamental operations of the CBC. Adequate daily coverage and good programs cost money. I realize that to cut down on these would be to impair the efficiency of the CBC, and that is not my intention. When the committee of 1936 met, and I was a member of that committee and also a member of its sub-committee, there was no discussion at all of licences. In fact, there was a considerable section opposed to the idea of the licence fee at all, and I do not think that you have so far, Mr. Brockington, made out a case for the continuation of the licence fee, if we are going to maintain an efficient, national system.

The WITNESS: Well, Mr. Martin, subject to your correction and modification of what I have just said, if you will allow me to continue, I think I deal later with those questions.

Last year the CBC established to the satisfaction of the government, to the satisfaction of this committee and, I believe, to the satisfaction of the listeners, that an increase in licence fee was necessary.

I do not want to waste any time, but if you would allow me I should like to read an extract of a speech I delivered over the air last year to Canadian listeners, because it states our position better than I feel capable of doing to-day:—

I now come to the question of the increase in licence fees from two dollars to two dollars and fifty cents. For the recommendation of that increase, the board of governors of the Canadian Broadcasting Corporation

accepts responsibility. I do not need to assure you that our sole concern is for you—the listener. We believe your happiness is more desirable than the convenience of the public servant, the actor, the musician, the producer or the governor. We have no interest, personal or financial. We seek no office. We wish for no appointment or re-appointment. All we desire is the steadfast and increasing progress of Canadian radio as a national enterprise under the direction of our successors, no less than of ourselves. Between you and us there must be the utmost good faith. To bring about the progress we believe to be essential, planning over a period of years and the facing of facts by you and us, your servants, cannot be avoided. Rome was not built in a day, even by Romulus, nor was it re-built in a year even by Mussolini. To ensure that necessary progress, some additional revenue is necessary. It might be obtained by a straight government subsidy. Governments in these days cannot be expected to be prodigal and general public opinion will probably agree that Canadian radio should endeavour to pay its way without application to the public treasury. It might be obtained by a large increase in commercial programs. Even if sufficient were available, we believe that any substantial increase in advertising would be a surrender of the position which we were called upon to maintain. We recommended, therefore, to the government, an increase in licence fee of fifty cents a year, or, one cent per week. That decision was not made without mature consideration.

Then I gave a list of countries, some of which I have just mentioned.

I am aware that comparisons with other countries are not always apt and that conditions in each country are different. The increased licence fee will not be applied in payment for expenditures already made or to cover up some financial indiscretion of the past. It is a contribution, and a necessary contribution, to essential progress, to new and necessary construction, to the rehabilitation of obsolete equipment, to the encouragement and retention within Canada of Canadian artists, to the enlargement and improvement of Canadian sustaining programs, to the establishment of musical organizations and the encouragement of existing orchestras and to the ever-present task of contributing to Canadian unity by emphasizing the beauties, the variety and the resources of the Canadian scene. Without a small increase in the licence fee, many of these achievements will either be postponed or made impossible. The construction of additional high-powered stations, and the improvement of facilities in the Maritimes and the West cannot be undertaken without this additional revenue. To recommend any imposition upon hard-pressed men and women, especially at this time, is both difficult and distasteful. We would be, however, untrue to what we believe our progressive duty if we did not do so. It may be that the cost of Canadian radio listening is too high. If it is, surely a very small portion of that cost is traceable to the existing licence fee, and still less, to its increase. Your governors will join all listeners in watching, with interest, the investigation which is being instituted by the government into the cost of radio tubes, batteries and sets in Canada.

I do not want to make any further statement in that regard. I do not want to resolve the licence fee into terms of what it is; that it is equivalent to a package of cigarettes per month or a packet of gum per week.

I will agree that all those arguments may not appeal to those who chafe under the burden of a direct fee.

[Mr. Leonard W. Brockington, K.C.]

I should like you now to consider for a moment where the opposition to these licence fees comes from, because you will be amazed, I think, and I am sure the members will support me in voicing their amazement, how local in the main the dissatisfactions and the agitations are. The objection comes in the main from Toronto, from western Ontario and from Montreal; and it comes with perfectly genuine and proper passion, no doubt, from a large number of people in those districts. It comes from districts which have always been well served in recent years by radio and which are now best served by Canadian private stations and American stations. They receive a service in the main which the rest of Canada can only get from the Canadian Broadcasting Corporation. The man in the west and the man in the maritimes cannot get Toronto, Montreal or Windsor service. His very geographical position, the lack of density of population in the area in which he lives prevent such a service. In other words, too, the opposition comes from points where private interests are most powerful. It comes from the places where all the applications for 50,000-watt stations have been directed to this corporation; it comes from the places where private interests have been tied for a number of years in with American stations, and it comes from the places where every attack on public radio has found its leaders, from 1928 onwards.

I have sometimes felt that I should like to talk to some of the men in Toronto who have written me abusive letters about the two dollar and a half licence fee, and contrast the letters that came from wealthy homes in Toronto with some of the letters full of trust and of hope and of faith which I have received from farmers in the drought area of Saskatchewan. As usual, what happens is that the greatest complaints come from the places where there is the least hardship. Many of those districts have not yet accepted the idea of national control. There are powerful interests in those districts that have never abandoned their hope of regaining control of the national domain for private purposes. I do not impute any motive to them other than an honourable one insofar as they see it in their light; but we who are the custodians of the national radio as part of the national domain cannot overlook the source of some of this opposition.

Mr. FACTOR: I do not want to interrupt to challenge that statement now, but I do wish to say at this time that there are thousands of people in Toronto who are absolutely committed to the principle of national ownership yet who object to the increased licence fee.

The WITNESS: I would say this, that I can quite understand how thousands of people in Toronto, Montreal and Windsor have a perfect right to object from their point of view to the licence because, as I say, they were getting fairly good service without it. I believe we have failed in our duty, particularly in some Western Ontario districts, and I can quite understand the feeling down there. I think we have failed in our duty to some extent in Toronto because a number of our better programs are on our small station and a lot of the poorer ones on our big station, but those matters are in process of adjustment. I do not want anyone to think I have any desire to discount the perfectly genuine dissatisfaction with the present situation; I do not want to discount the support we get from many quarters for national radio in those centres; but I want to point out that it is impossible to view the situation without realizing that the concentration of opposition is usually in those three centres.

Now, it is true also that opposition in the main does not come from the rest of Canada. I think I pointed out to you exactly what national ownership means in terms of coverage, that it does not relate to a particular part of Canada. I pointed out that we constructed two transmitters last year in Eastern Canada which to-day we could sell at a tremendous profit, and that since then we have just about completed two transmitters, one in the maritimes and one in the prairies, which we must inevitably operate at a loss; and

that the concentration of private interests in densely populated areas and the necessity of service by national radio to less populated areas present a problem to any national radio system.

By Mr. Bertrand:

Q. Could you tell us whether or not it is true that in the United States they are considering imposing a licence fee?—A. I think there is some consideration of changes in the United States. I am not able to say exactly what they are considering. I know Congress has been inquiring into it, and there have been many proposals advanced. I could find out for you and tell you exactly what the situation is. I could not give it to you personally at the moment.

Q. Could you tell us, is the American west served as well as the eastern section?—A. Oh, no. At the present time thirty per cent of the American rural listeners are outside of the area of primary coverage. If you remember, I emphasized that in my evidence last year. Now, it is quite true also that the opposition to a radio licence system does not come from farmers or labourers or from women's organizations, those who supported a \$3 fee in 1932 and subsequently. I was handed yesterday a list of the organizations that in 1932 and subsequently supported the \$3 licence fee. They include:—

National, Labour and Farm Organizations.—The largest national associations, labour and farm organizations; including the Canadian Legion of the British Empire Service League, the Trades and Labour Congress of Canada, the Canadian Congress of Labour, the New Brunswick and Alberta Federations of Labour, the United Farmers of Alberta, Canada (Saskatchewan) and Manitoba.

Women's Organizations.—Leaders of women's organizations and women's organizations such as the National Council of Women, the Imperial Order Daughters of the Empire, Hadassa, the United Farm Women of Alberta, the Canadian Federation of University Women.

Churches.—The heads and other leaders of Roman Catholic, Anglican, United, Baptist and Presbyterian churches and the Social Service Council of Canada. Especially significant perhaps was the support given the league by leaders of the Roman Catholic church in Quebec—His Eminence the late Cardinal Archbishop Rouleau, His Eminence Cardinal Archbishop Villeneuve, Monseigneur Camille Roy of the University of Laval and Monseigneur Piette of the University of Montreal.

Education.—The Presidents of sixteen Canadian universities, eight provincial superintendents of Education, the Universities' Conference and the Royal Society of Canada.

Business.—Bank presidents, Boards of Trade and Chambers of Commerce from Halifax to Vancouver, Insurance and Trust company heads, business and financial leaders.

Newspapers.—Eighty leading Canadian newspapers.

Mr. MARTIN: I think before you go on the impression you have created should be remedied at once. I know you did not intend to create it, and I dislike very much to be always bringing up matters of this kind; but I assure you again that I agree with the principle behind the ownership of a national chain of radio. I had something to do with its set-up as a member of the committee and I am not relenting in any way in my belief in that. I will oppose as vigorously as I can any cutting down of important expenditures which would impair the efficiency of that system. But, having said that much, when you say that the opposition to the radio licence fee—and I speak now for the district that I know best, southwestern Ontario—is because of two particular circum-

stances: (a) The existence of powerful private stations; and (b) a tradition in good radio reception that goes back for some years—when you leave it at that I think you are leaving an impression which I do not think exists. I wanted to tell you this, if it is not already officially known to you, that complaints are from humble people in that area, workingmen as well as men who employ them, and the reason is a perfectly natural one. First of all there is the method of collection, one of the most ridiculously inefficient systems one can possibly conceive. Now, I am not blaming that on you.

The WITNESS: You mean the CBC?

Mr. MARTIN: I am not blaming it on the CBC.

The WITNESS: We have nothing whatever to do with that.

Mr. MARTIN: I am simply stating the facts. I know of men whose business it is to collect licence fees who are afraid to go into homes in that district because of the reception they get.

An Hon. MEMBER: You do not mean radio reception?

Mr. MARTIN: No, the reception they get at the door. Now, I want to get this clearly on the record, to show that it is not the result of propaganda on the part of any private station. No private station ever came to me and said, "Now you push this." I am simply giving you the benefit of the expression of what I know to be the overwhelming sentiment in that district.

The WITNESS: With everything that you say I am in complete agreement. If I did not make it clear I am very sorry. You will remember, I said I thought the people who objected were in many instances justified in their objection if they viewed it from their purely local needs; and particularly I said the people in your district had a right to object.

Mr. FACTOR: The impression left in my mind from your remarks was that the opposition was more or less moulded by these private interests. That is what I gathered from your remarks.

The WITNESS: I did not say it was moulded by them. I did feel that it was necessary to point out that these three districts were strongholds of private interests, and that it was from these three districts that applications for high-power channels had come. It may be purely coincidental and collateral.

Mr. MARTIN: Do you not know further that there are sections all through Canada; and we have had recently quite a number of people who took exception to this licence fee, not only in southwestern Ontario but all over Canada. Now, there are certain sections where they have had bad coverage, and we have to recognize that side of the problem. I understand that point of view, and I do not want in any way to take away from that coverage because of it. I believe in this system, but there is dissatisfaction on the part of more than merely local parties.

Mr. WOODSWORTH: Would Mr. Martin state his alternative? He believes in the system.

Mr. MARTIN: Of course. My alternative is that I believe that if state radio is meant we should be prepared to pay for it in a proper way, and I believe there should be a way of taking it out of the consolidated revenue fund. I do not agree with the suggestion that the only people who benefit from radio are those who use it. As I understand it our reason for having a nationally owned system is because we regard it as important in the moulding of the character of this country. The people who benefit from radio are not only those who own radio sets; all of us in some way receive benefits from the programs, from the observations and speeches that are given out over our system. We all receive benefit by it.

Mr. WOODSWORTH: I should like to ask why every year, periodically at least, we have to review the whole situation and scrap the whole issue out again; why we have to go over each year what we have gone over the year before. The essence of this whole objection seems to me to be because of the fact that a few people find it difficult to pay their fee of \$2.50.

The CHAIRMAN: That is one of the penalties of democracy.

Mr. WOODSWORTH: I do not believe it is a penalty of democracy. It seems to me that some people ought to rise above the grumblings of a few people in their constituencies and look at the thing in another manner. I want to say this, that in my opinion there will be ten times as much grumbling if an attempt is made to take the cost of this service out of the consolidated revenue fund, I think Mr. Thompson was quite right in that. Let us get down to some things which are basic. Let Mr. Martin put a motion and let us vote it down. I do not think there is any objection at all to the principle of public ownership for radio, but I do think that there are a great many parts of the country which would not stand for being taxed in order to maintain it just because a few people who could well afford to pay it objected to paying a licence fee. After all we pay just a fraction of a cent a day for this privilege, less than one cent a day it figures out at; and why should there be general objection to that when nearly everyone can afford to go two or three times a week to a picture show where they will pay anywhere from fifteen to twenty-five or thirty-five cents as an admission fee. It does seem to me that this is not an exorbitant fee, but if it is considered such let us get down to the details of what it costs, whether it is exorbitant or not, and work on that basis. I may say to Mr. Martin that it does appear to me that we are wasting time by going into proposals of this kind. His proposal is that instead of getting it by way of a licence fee we could take it out of the consolidated revenue fund, and that means a heavier tax than exists to-day on those who perhaps cannot afford to have a radio.

Mr. MARTIN: Just on that point may I say one thing, I do not think Mr. Woodsworth is fair when he suggests that I am giving expression to the grumblings of my constituents. Last year in the House of Commons I made the same proposal, and one of the most vigorous supporters of this particular proposal was Mr. Woodsworth himself.

Mr. WOODSWORTH: No, no.

Mr. MARTIN: That is on *Hansard*, the record can be found there.

The CHAIRMAN: I think I should point out for the information of Mr. Woodsworth that the other day the minister suggested that in view of the fact that quite a number of the members desire to see a reduction in the radio licence fee he would like this committee to take the matter under review at an early date so that should this committee decide to make an interim report recommending a reduction in the amount of the radio licence fee it might make its interim report to that effect to the House before the 1st of April, because that is the end of the fiscal year. This morning the committee decided—I think it was before Mr. Woodsworth came in—that we should go into that phase of it; that we should let Mr. Brockington present the situation in a general picture of the present set-up and later that Mr. Gladstone Murray would furnish us with more detailed information as to the commitments and proposed expenditures of the broadcasting corporation.

Mr. FACTOR: We ought to clarify our position in this respect. So far as I am concerned, and I believe the concensus of opinion of the committee would be against any proposition which would involve the operation of the radio corporation out of the consolidated revenue fund. We ought, perhaps, to direct our attention to an examination of the expenditures of the broadcasting corporation with a view to finding whether or not a reduction would be possible without impairment of its operation. I think this discussion has served a useful

purpose in getting some expression of opinion from the committee on this particular proposition, and there are those who favour the abolition of the licence fee altogether and the paying of the expenses of the corporation out of the consolidated revenue fund. Now, I have no hesitation in expressing my complete agreement with Mr. Woodsworth. I would not be in favour of that proposition at all. I am in favour of analysing the situation to see if it is possible, in view of the fact that these high-powered stations are now complete, all four of them—whether it is not possible under present conditions to curtail the expenditures somewhat, and to slow up the tempo of progress, so as to enable us to reduce the licence fee.

The CHAIRMAN: I am quite agreeable to that proposal, but I think we should allow Mr. Brockington to proceed and to complete his statement.

Mr. BERTRAND: Mr. Chairman, might I say a word? Mr. Brockington spoke of the Montreal district as being one which opposed the licence fee. Some opposition might have come from the private stations in the Montreal district, but I for one am not against the principle of the licence fee. I also doubt very much whether there is any correlation between these private stations which are asking for a higher coverage and the opposition generally to the present radio licence fee.

The WITNESS: Mr. Bertrand, I did not mean necessarily only private stations that have been asking for a wider coverage. That is where the applications come from for higher power, which is perfectly natural, because that is where the large population is.

Mr. BERTRAND: My own view is that the corporation should allow more of these stations a higher coverage. I think that is what I told you last year.

The WITNESS: Yes.

Mr. BERTRAND: I for one am ready to go before my public and state that I am in favour of a licence fee of \$2.50. It is not unreasonable. We always get some criticism, you know. I am not in favour of cutting the expenditures of the broadcasting corporation across the country. If we have to-day some objections to this licence fee it is because the public has not yet found in these stations in these big centres the benefits that could come from them, from these high-powered stations under your administration. If you were to move a little faster in the development of the quality of program on your stations, if you were to give better coverage and if you were to give longer and better programs, I am sure much of the present difficulty would be overcome. If you will overcome the differences between the programs from the private stations and those going out over your own stations, I think much of the objection which is heard to licence fees will be overcome.

The WITNESS: Mr. Chairman, might I continue my statement?

The CHAIRMAN: Yes.

The WITNESS: All I was trying to do was to fix the source of the arguments and the various points of view, all of which are obviously evidenced in this committee. To resume, I would like to point out that in 1934 Mr. Burford, representing the All-Canadian Congress of Labour, appeared before the special committee, and said this:—

Q. Are you willing to recommend the raising of the licence fee?—

A. Yes, sir. Our suggestion made in 1932 and to the Royal Commission was that the licence fee should be \$4 a year.

That was confirmed by the evidence of Mr. Tom Moore of the Trades and Labour Council, who appeared before the committee. His evidence is found on pages 239 to 245. He said that a \$3 licence fee was endorsed by the Trades and Labour Council of Canada. That is all I have to say about the history of the licence fee.

I should like to say a word now largely dealing with Mr. Paul Martin's suggestion, if I may, sir, and I want to say that I am most grateful to him and the other gentlemen who have spoken this morning for undertaking to see that national radio shall not be weakened in this country.

It seems to me the proposal to abolish the licence fee and to substitute a vote of parliament is subject to a number of objections. I shall try to state them clearly. We do not believe, in the first place, that a parliamentary vote, which we may not receive, or which we may receive in reduced terms from year to year, would enable this corporation or any successor to make any plans in advance. After all, radio service has to be planned in advance. We believe it would be a pity if we were placed amongst the manacles and caprice of politics. We believe there would be a great objection on the part of some taxpayers to having their money paid out for entertainment. We believe that if our revenue were subject to annual vote of parliament radio would be subject to the complete control of the government of the day; and that we should have imprinted upon it the civil service complex, which I believe we are not only anxious to avoid but most thoughtful citizens are anxious for us to avoid.

We would not be able to make progressively increasing expenditures to meet increasing needs. After all, Canada is a growing country; radio has not reached the point of saturation. There are new services that remain to be done coming up every year; and we feel that there would be under this alternative scheme a limit upon our revenues, and a difficulty in obtaining them. A further result would be therefore (as a natural corollary to the parliamentary vote) an increase in commercialism, and a continued objection that there was an unfair charge upon the non-users of radio.

Now, with regard to the proposal to reduce the licence fee, let me say this: it is for you to examine the finances of this corporation, to examine our commitments, to-examine the possibilities of reasonable progress; it is for you to make an answer to that plea. I have tried to indicate to you how much money has to be spent before one program goes on the air. We are committed not only to two new stations, we are committed, we want to be committed, to improving the coverage in other parts of Canada. We are going to be committed to deal at some time with certain new inventions, as they come. In our opinion the proposal to reduce licence fees to \$2 would mean an eventual and inevitable reduction of the augmented system. It would leave our engineering and other overhead as it stands, and would leave, very little money for programs. It would not allow us to retain the national audience which we have built up; it would not enable us to advance as a unifying influence in this country; it would not enable us to advertise Canada among the nations of the world as we would wish; it would mean, in our opinion, a surrender of the public domain to private interests; it would leave facsimile and television most certainly to the development of private interest, and it would mean an abandonment, a curtailment of activities in those districts in Canada which by reason of their very loneliness, isolation, most need the services of national radio. It would mean a partial abandonment of Canadian artists and orchestras; it would mean, in our view, the increasing of commercialism, the increasing Americanization of the Canadian air, because every day that national radio in Canada is weakened, every day there is a greater temptation for stations and broadcasting facilities in Canada to fall within the orbit and control of American stations.

*It would mean that French-speaking Canada would not get the treatment it now gets in connection with programs in its own language and culture. There would have to be a restriction in activity in Quebec.

Now, with reference to the reduction in the fee and the increase of commercial revenue which might be offered as a solution, let me say this. It might be possible, Mr. Thompson, perfectly legitimately for you to say, "why

don't you increase your commercial revenue to over \$1,000,000 and reduce your licence fee to \$2?" I do not say you would say that, but some other member might. That again would place us where we could not produce a balanced service and could not plan. Our program services must inevitably be destroyed if that is done, because our sustaining programs would be reduced and the very purpose and the function for which we were created, the purpose of national unity, education and enlightenment, would be obviated. You would meet hostility from certain other interests, which would be a matter for you to deal with.

By Mr. Factor:

Q. Do you say that a reduction of fifty cents in the licence fee would mean all that you have quoted?—A. It might do that, yes, sir, and I am pointing out now if you reduce the licence fee fifty cents and double your commercial, it means these things I have just told you.

Q. Aside from increasing the commercial advertising, the reduction of fifty cents, as I understood from the minister, would involve a decrease in revenue of \$600,000.—A. Yes.

Q. And you say the loss of \$600,000 from licence fees would involve—
A. These things.

Q. The restriction and so on which you have described?—A. In my view, yes, sir. There is one further point I should like to make. Canada is a country of progress; radio is a medium of progress. The uses of radio have always been extended; and any national radio must look to the future. When it looks to the future it must look not to stagnation but to extension. We are by no means faced with a position of saturation in Canada with reference to radio. Our service must increase and the only place where we can obtain money for increased services is by increased number of licence fees at the present basis. I would point out to you for your own information and, I hope with some satisfaction, that whereas only 49 per cent of the homes in Canada have radio today, 77 per cent are equipped in the United States. We have always looked forward when planning for the future, and when we propose to build further high power stations, stations to increase the facilities, to the comforting fact that Canada, at least, has by no means reached the point of saturation. Now, gentlemen, I have nothing further to say on the matter but I should like to sum up in this way.

Q. Before you sum up, I wonder if you could tell me what the fixed charges were for the year 1937-38 for the radio corporation?—A. I gave it, sir, at \$1,056,000.

Q. That was 1938-39. I should like the amount of fixed charges for the years 1937-38 and 1936-37.—A. I shall get them for you, sir, I have not them here. I believe I have 1937-38. They were the lowest figures. Fixed charges go up. You have more time to operate, more stations to operate and all that kind of thing. I do not know what they were, but they were less than \$1,056,000.

Q. What I am trying to find out is this. The increase in the licence fee was effective on the 1st April, 1938?—A. Yes, sir.

Q. I am anxious to find out what your fixed charges were before that increase took place, in comparison with the fixed charges after the increase.—A. I believe the fixed charges are on the paper that has gone downstairs. The last year is not so high. I have tried to state to you what the inevitable results are going to be if the revenue for this corporation is cut, what the inevitable results are going to be if it is partially cut and it is obtained from other sources such as commercials. I have tried to picture what the results will be if the sustaining basis of a licence fee is substituted by an annual grant from parliament in varying amounts. I am going to submit to you that the only thing to do is to allow national radio to progress on the present basis. It may be

that when you examine the expenditures you may point out things that perhaps have been unwisely done; you may find that some small monies—I do not know—have been extravagantly spent; I do not think in the main any such things have happened, but obviously in an enterprise of this kind there are obliged to be some things to which objection may be taken. All I can tell you is that the board of governors and the financial committee exercise all the control that is possible. We have the utmost faith in the honesty of our employees and we believe that our internal check methods are—if not as effective as they may eventually become—at least, in our opinion, effective and steadily improving as any weakness appears.

The CHAIRMAN: Now, gentlemen, Mr. Brockington is through with his statement.

Mr. THOMPSON: There is one point I should like to have clear, and that is this: I am not in favour of augmenting the income by putting more advertising on the air.

The WITNESS: No; I said I did not think you were, sir.

Mr. THOMPSON: The only point I had in mind was to examine thoroughly the expenditures and see if any curtailment could be made in the expenditures or an improvement made in efficiency.

The WITNESS: Quite so. Thank you, sir.

By Mr. Hamilton:

Q. May I ask a question? I believe you have already answered this question, but I should like to ask it again. In your opinion would the cutting down of the licence fee cut down the wire services to the various parts of Canada?—A. No, sir, I do not see how it could cut down the wire service.

Q. What I mean by that is this: if the licence fee were cut and your revenue cut thereby, would your services be in any danger at all?—A. I believe certainly that the services to the outlying parts of Canada would be very much curtailed if the revenue were cut down. I shall give you an example: we are expecting to lose considerable money in the maritimes and the prairies. If you cut down the licence fee you could not lose that money, that is all.

Q. I want to make myself clear on this point. Last year, or two years ago, whenever the licence fee was raised by fifty cents, Sault Ste Marie for the first time in its history got a CBC line in there and a network, and since then it has received a very real benefit as a result of that. Now, whether that was or was not consequent on the increase of fifty cents I do not know, but I do know this, that if the elimination of the fifty cents, or a dollar, or anything of that nature is going to take away from that service anything of value, it is something of a very serious consequence to us.—A. Well, I may say, sir, I mentioned to this committee we were hoping to obtain something for southwestern Ontario. I had a letter from the minister the day before he went away to the effect that council was not passing any appropriation for any further construction in this district until they knew the results of this committee's deliberations on the question of licence fees. Obviously, if you take money away, not only can additional services not be made, but existing services must be curtailed.

Mr. WOODSWORTH: Mr. Chairman, Mr. Martin suggested a few minutes ago that he had brought up this proposal a year ago, the proposal for the abolition of the licence fee.

Mr. MARTIN: No.

Mr. WOODSWORTH: Yes.

Mr. MARTIN: No, I said the principle was discussed a year ago by Mr. Woodsworth.

Mr. WOODSWORTH: The principle Mr. Martin was discussing to-day is, I take it, the abolition of the licence fee.

[Mr. Leonard W. Brockington, K.C.]

Mr. MARTIN: Yes, and the payment for same out of the consolidated revenue fund.

Mr. WOODSWORTH: That was the principle, the abolition of the licence fee. He said that I had supported him in that. That is not correct. The matter that came up last year was the increase of the licence fee, and I did express myself as opposed to an increase in the licence fee and said that rather than have an increase obtained in the ordinary way, I thought it might be raised in some other way. I will tell you what I did say. The question was asked as to what other method I would suggest. I said, at page 1055 of *Hansard* of 1938:—

Several other methods might be suggested. One would be a tax on radio tubes. The price of tubes in this country is very high indeed, much higher than in the United States. I think it would be easily possible for the manufacturers of tubes to absorb the amount themselves. I should like to have it more fully discussed. If it is absolutely necessary that the public generally should be taxed for this radio service, I would rather that it came out of general taxation as a subsidy than as an increased fee.

Mr. MARTIN: Hear, hear.

Mr. WOODSWORTH: That was relating to the increase of 50 cents at most.

Hon. Mr. STEVENS: They are both right.

Mr. WOODSWORTH: No. I think there is a difference between a proposition to make this entirely a matter out of the public revenue and opposition to an increased fee. I just want to make that clear.

The CHAIRMAN: I think you have established your position pretty well, Mr. Woodsworth.

Mr. WOODSWORTH: That is all right.

The CHAIRMAN: And I think Mr. Martin has also. You are both right.

Hon. Mr. STEVENS: He has exculpated himself.

Mr. FACTOR: I should like to ask one or two questions of Mr. Brockington.

The CHAIRMAN: All right.

By Mr. Factor:

Q. My question has reference to the increase in the licensee fee last year from \$2 to \$2.50. Was not the chief objective, in regard to that increase, the erection of four high-power stations?—A. No. The main objectives were two in number, I should think—first of all, improved service in general and, secondly, to enable us to finance and maintain two new stations in places from which we would get no revenue whatever. It was particularly related to the additional services in the maritimes and in the prairies.

Q. And these will be completed by June?—A. I think the maritime station is going to be opened on April 8, and the prairie one will be open by June 1; we hope we will have it in some kind of shape for testing or other purposes by the time of the King's visit.

Q. I notice in this statement which you filed that the fixed charges for the year 1937-38 amounted to \$751,500, as compared with \$1,056,500 for 1938-39.—A. Yes.

Q. That is an increase of approximately \$300,000 this year as compared with last year.—A. Yes.

Q. In that increased item of this year, which was not included in last year's statement, was a principal and interest item of \$64,500.—A. Yes.

Q. So that, practically, the increase was around \$230,000 for the fixed charges?—A. Yes.

Q. Is the increase accounted for entirely by the establishment of these high-power stations or is it accounted for by something else?—A. May I look at the sheet you have there, Mr. Factor?

Q. Yes.—A. I am not able to say to what the increase was due. If you put it as a special question, I will get it answered for you or Mr. Murray will answer it.

By the Chairman:

Q. Your payment this coming fiscal year will be greater on account of the increased borrowing which you did this year?—A. It will be greater. I do not know exactly as of what date it becomes greater, but obviously it will be greater having regard to the amount of \$500,000 we borrowed.

Q. You borrowed another \$500,000 last year?—A. Yes.

The CHAIRMAN: I think Mr. Brockington is pretty well exhausted. He has been on the stand nearly an hour and a half.

The WITNESS: You mean nearly two weeks, day and night, because I dream about it at night.

Mr. MARTIN: I presume we will have a chance of going into the whole thing with Mr. Murray.

The CHAIRMAN: Yes.

Mr. MARTIN: I think Mr. Brockington has stated the principles; we have got to examine the whole thing.

Mr. HAMILTON: This is in connection with licence fees?

The CHAIRMAN: Yes. If anybody wishes to ask any questions of Mr. Brockington, he may, as long as it will not exhaust him too much.

The WITNESS: I am not tired.

Mr. HAMILTON: This is in connection with licences?

The CHAIRMAN: Yes.

Mr. HAMILTON: I have one or two other questions, but not in connection with that.

Mr. DUPUIS: How long will the discussion on the question of licences last?

The CHAIRMAN: I think we are through.

Mr. DUPUIS: I understand that is a very wise answer. But I understand that Mr. Murray will come in the witness box. I am anxious to know what attitude this committee is going to take relating to sponsored programs by brewers, because it will affect so many artists who are now employed. That is one reason why I think it would be very wise to discuss that question as soon as possible. I understand that no liquor will be allowed to be on the air—I mean no program advertising liquor will be allowed on the air after the 1st of April.

The CHAIRMAN: The air will not be very good if there is no liquor on the air.

Mr. DUPUIS: I do not believe that, even with the program, there is more liquor in the air at all.

Mr. TURGEON: May I ask a question of Mr. Brockington?

The CHAIRMAN: Yes.

By Mr. Turgeon:

Q. In your first statement, Mr. Brockington, you mentioned two parts of Canada which were shockingly abused by having no radio facilities. One of those two districts was British Columbia, particularly certain portions. If this radio fee is reduced, from what you said a while ago am I right in assuming that you would have to revise your opinion concerning what you could do for British Columbia?—A. Obviously, sir, that would have to be revised. If you curtail your existing services, I do not see how you could increase other services on which you must inevitably lose money.

[Mr. Leonard W. Brockington, K.C.]

By Mr. Martin:

Q. That is neither a complete question nor a complete answer.—A. We will say that it was a very incomplete answer to an incomplete question.

By Mr. Turgeon:

Q. I think the question is very complete. The chairman of the board of governors has put himself on record to the effect that there is a portion of Canada which is sadly lacking in radio facilities for hearing. I know that perhaps even better than the chairman of the board of governors himself. It is also on record that that situation must be improved. I feel it cannot be improved except by the provision of moneys. I do not know of any other way in which it can be improved. Now I am asking the chairman—and I say that the question is a complete question—whether the opinion which he gave in this committee, which was an official opinion, concerning what he hoped to do for British Columbia this year, will be changed or given up entirely if there is a reduction in the licence fees resulting from a recommendation of this committee?—A. Well, I could only answer that in general terms, and I will answer it in this way. The answer seems to me to be obvious. If there is a reduction in revenue which will not allow you to maintain your existing services, I do not see how, by any possible argument, you can, out of reduced revenue, create a situation for amelioration of conditions, when amelioration of those conditions involves a considerable additional expenditure of public moneys which are not available.

By Mr. Martin:

Q. Is the question not a simple one? I do not think anyone really wants to interfere with the work the CBC is doing. There has been no expression in this committee to that effect. No one wants you to cease building these two powerful stations or the proposed stations in southwestern Ontario and British Columbia.—A. Quite so.

Q. The only issue is as to how the funds or moneys for such developments shall be procured. If the licence fee were dropped, it could only be dropped if the alternative which I have proposed were accepted; and obviously, if the alternative proposed is not accepted, then we must go on as we are. But the impression should not be given that these services are not going to be maintained or continued.—A. As I understand it—

THE CHAIRMAN: Just a minute, Mr. Martin. You were the one who brought this question up at our last meeting.

MR. MARTIN: Yes.

THE CHAIRMAN: Is it your intention that this committee should study means of obtaining the same amount of revenue from some other source? Is that the objective of your suggestion?

MR. MARTIN: My simple view is that I do not think it is possible for us, except in some minor detail, to bring about a decrease in the expenditures of the corporation. To do that, in my judgment, would be to impair its efficiency in giving that necessary service that must be maintained by the CBC, to carry on its present level. Having said that much, it is up to me to suggest how the money should be obtained.

MR. FACTOR: Hear, hear.

MR. MARTIN: I have suggested that since the CBC—and I repeat this, having in mind the statement of the present prime minister and the former prime minister—is intended as an instrument for the development of national character, using that general caption, we should be prepared to pay for that in a manner that will not hurt the very principle itself. I am saying now to

Mr. Brockington that the CBC is suffering what I think is almost a permanent blow in certain parts of Canada because of this relatively unimportant matter. It is because I believe in the CBC and want it maintained that I take this stand on what seems to be a small matter, but which, in all its essence, has proved to be a large issue in many parts of Canada; and that is the only reason. It certainly is not on account of the amount involved. It is not the actual fee itself, but because this system of collecting a licence fee—the idea of a licence itself—has poisoned the idea of a publicly owned chain in that part of Canada which I represent—and not only that part, but a whole section of Ontario. I want the system maintained. I want the CBC maintained. But I say it cannot be maintained adequately in that area unless this irritation is removed.

The CHAIRMAN: After hearing Mr. Brockington's picture of the necessity for revenue and the necessity for progress—that national broadcasting must be on a progressive scale—have you any suggestions to make to the committee as to how we should obtain the revenue? You are convinced that the revenue must at least be maintained at its present level in order to continue the operations of the Canadian Broadcasting Corporation?

Mr. MARTIN: Yes.

The CHAIRMAN: Have you any suggestions? Can you give us any ideas that might help?

Mr. MARTIN: I gave you my suggestion.

Mr. FACTOR: Which was that the money should be paid out of the Consolidated Revenue Fund.

Mr. Ross: Might I say a word here in connection with this? As I see it, everybody seems to be more or less convinced, that the CBC is a good thing, that it should be a publicly owned and that it should be carried on as a cost to the Canadian people. The only difference in opinion here seems to be as to what method of taxation you should use.

The CHAIRMAN: That is what I was trying to establish.

Mr. Ross: The difference of opinion seems to be as to what method of taxation should be used in getting the necessary funds for the CBC to carry on. Then the other question comes up as to direct and indirect taxation. That is the whole thing. The public always wants all kinds of service, but nobody ever wants to pay for it when they know that they are paying for it. That is about the size of it. We are questioning here the payment of an additional 50 cents that was put on a year ago for a service, through direct taxation. The very part of the country that is raising all the howl at the present time is the part of the country that has been benefiting through indirect taxation, for years in this Dominion.

Mr. FACTOR: I was afraid of that.

Mr. Ross: You know it as well as I do, and as well as everybody else does.

The CHAIRMAN: Mr. Factor, the truth must come out sooner or later.

Mr. Ross: The situation is simply that; instead of saying to the people of Canada that they are getting a good service throughout the Dominion of Canada for a low fee, the little local thing of the 50 cent direct tax is being pressed by everybody. In that very area are made the radios that the people use all over this Dominion of Canada. There is not one radio in this Dominion that does not cost the same taxpayer, in additional price, anywhere from \$10 to \$50 or \$60 more, on account of indirect taxation in this Dominion. In other words, that additional fee would be paid for anywhere from 20 to 100 years in buying the radio itself. Yet we question here as to whether a fee of 50 cents should be paid in order that this service should be given to the Dominion all the time, whereas we do not question at all that anywhere from \$10 to \$50 for 20 to 100 years should be paid for nothing whatever in the Dominion.

[Mr. Leonard W. Brockington, K.C.]

Mr. FACTOR: Mr. Chairman, I should like to direct the discussion into another channel altogether. Mr. Brockington, have you ever considered the question of a graduated tax in connection with the radio licence? It does seem to me rather unfair for a man who pays \$25 for a radio to have to pay \$2.50 for a licence while a man who owns a \$500 radio pays only the same amount. Has your board ever considered the accumulation of the same amount of revenue by means of a graduated tax? I know some of the practical difficulties in connection with the resale of old radios, and the like; but have you considered that problem?

The WITNESS: You understand that the method of collecting the tax or its imposition is not a matter with which this board is concerned. In so far as revenue is concerned, as I said before, we are only at the receiving end. I do not know whether that has ever been considered by the Department of Transport. I think someone last year asked me a similar question. Of course, the difficulty with it is that the original cost of a radio means nothing because a radio so quickly becomes obsolete. I think I told you last year that I bought a radio and paid \$385 for it; I could not get \$10 for it to-day. The question should not revolve on the cost of a radio or on the number of tubes in a radio; it depends on the modernity of a radio and its efficiency, which is a very hard thing to assess for taxation purposes.

Mr. THOMPSON: Mr. Chairman, Mr. Brockington stated a few moments ago that only forty-seven per cent of the people of the Dominion of Canada were served by radio. Mr. Martin's proposition is simply this: that the other fifty-three per cent are to be taxed for an accommodation which is only enjoyed by forty-seven per cent of the people.

The WITNESS: I did not give it in percentages of people; I gave it in percentages of homes, which may be different.

Mr. THOMPSON: I beg your pardon—percentage of homes, which I think is absolutely unfair. We want radio to expand; we recognize its great value, and I think it should be paid for by those who enjoy the privileges of radio. The question for us to determine is whether the \$2.50 is being judiciously spent; if so, well and good.

Mr. DUPUIS: Mr. Chairman, I think the whole discussion is rather academic. I think Mr. Martin is trying, not to put his opinion on the air that he is against it, but rather to put it on the record. As this is well known now, I think we should proceed with something else. I think it can be taken for granted by the members of the committee that Mr. Martin is thoroughly convinced that this could not be done and that his proposition will never pass.

I also thought it an appropriate time to put my question as to a change in policy concerning programs sponsored by breweries. I think it would be more interesting, although I have never drunk beer in my life.

The CHAIRMAN: Mr. Dupuis, the committee this morning decided, in view of the statement that was made by the minister at our last meeting, that if the committee cared to make an interim report in regard to a reduction in the licence fee or the obtaining of revenue from other sources, we should do it before the twenty-fifth of March which is the end of the fiscal year. I think the committee decided this morning that we should conclude that matter first to enable us, if we so desired, to make an interim report before the 25th of March.

Mr. DUPUIS: The only thing I should like to know, Mr. Chairman, is when the question of programs sponsored by breweries will be discussed. That is the only thing I wish to have decided by this committee.

The CHAIRMAN: I think that as far as Mr. Brockington is concerned he has given us all the information he can possibly give us with regard to the financial set-up of the Canadian Broadcasting Corporation. The only other man who can give us any further information is Mr. Gladstone Murray. He is here,

but it is now fifteen minutes to one o'clock and I doubt the advisability of calling Mr. Murray at the present moment. I think the committee would like to hear Mr. Murray's submissions on the set-up of the corporation at one sitting so that it would be easier to read and follow. If Mr. Brockington is in a position to make a statement with regard to the discontinuance of broadcasting relative to beer and wine in the province of Quebec—

Mr. DUPUIS: I am not talking of the province of Quebec only.

The CHAIRMAN: That is the only one.

Mr. WOODSWORTH: Mr. Chairman, I think we should proceed in a more businesslike way. We have gone into diverse propositions and we have not settled anything. Now we are going off into the brewery business. Let us do one thing at a time. I take it that two things have come up. The first is what seems to be the absolutely impracticable and academic suggestion of Mr. Martin.

Mr. MARTIN: In which you concurred.

Mr. WOODSWORTH: No, with which I did not concur. It is that we should do away absolutely with all fees. Now, that is one side of the matter. I am a pretty good socialist, but I cannot go as far as Mr. Martin in that respect.

Mr. MARTIN: You are not as good a socialist as I am.

The CHAIRMAN: You want socialized farms?

Mr. WOODSWORTH: No, not under any circumstances; it would ruin the farmer. I believe in public ownership of railways, but I am not prepared to say that under the set-up as we have it to-day everyone should be allowed to travel or send his goods free over the railways. We have a service charge there, and I think it is reasonable that it should be a fair charge. If it is necessary, however, to maintain public ownership, we may have to have some sort of subsidy to carry that thing forward. That may be, but I do not think anyone would seriously suggest that we do away with all charges by railways to shippers or travellers.

I am a pretty strong advocate of hydro, but I would not suggest that we take the whole of the charges for electric light which we consume out of the public revenue in order that everyone of us might have as much power as we pleased without paying any charge. I think that proposition, at least under the existing economic set-up and with the existing state of mind of the people of this country, is absolutely impracticable.

There is, however, the other question as to whether or not the additional fifty cents that was put on is a just and a necessary charge. I think that is about the only point that we can reasonably discuss here, as to whether we might reduce it by fifty cents or keep it as it is. If we reduced it fifty cents we might have to find some other source of revenue than that which we have to-day.

The CHAIRMAN: Your point is this, Mr. Woodsworth: that the proposition put forward by Mr. Martin is that the revenue for the Canadian Broadcasting Corporation should be derived from other sources entirely independent of licence fees?

Mr. WOODSWORTH: Quite so, and I think we can decide that first of all. I should like that settled, then I think we might go on to what is in the minds of most of the members of the committee, as to whether or not the fee of \$2.50 is a reasonable one; or, if it is decided to put it back to the old figure of \$2, whether the revenues should be raised otherwise just covering the deficiency, and not going into the question of whether we would abolish all fees. So I would suggest that Mr. Martin, if he wants to carry this any further, should put a motion to this committee so that we could settle that proposition; then we would be prepared to go on to the discussion of other matters.

The CHAIRMAN: Are you prepared to make that motion, Mr. Martin?

Mr. MARTIN: Mr. Woodsworth was not here at the last meeting and does not know what went on.

[Mr. Leonard W. Brockington, K.C.]

Mr. WOODSWORTH: I had enough of it to-day.

Mr. MARTIN: We have not had an opportunity to discuss it. I certainly was compelled several times to improve not the rhetoric but the impression which my good friend Mr. Brockington had left with the committee, and that is why there seems to have been some needless delay. Until Mr. Murray has given us a full statement we cannot even deal with my motion. We might deal with it, but we could not deal with it intelligently and, as usual, I propose to resort to an intelligent course until all the evidence has been given.

The CHAIRMAN: Mr. Martin, may I put this to you?

Mr. MARTIN: You may put anything to me, Mr. Chairman.

The CHAIRMAN: You have made the suggestion that you do not wish the operations of the Canadian Broadcasting Corporation to be curtailed in any shape or form?

Mr. MARTIN: Quite.

The CHAIRMAN: You believe in national broadcasting; Mr. Brockington, as chairman, has admitted that the progress of Canadian broadcasting cannot go on unless the present revenue is maintained. Now, you claim that you wish that progress maintained, but you want to find some other means of providing the money to sustain the system as it exists to-day.

Mr. FACTOR: No. Mr. Martin puts the bald proposition that, so far as he is concerned, he is willing to submit to this committee that all expenses of the Canadian Broadcasting Corporation be paid out of the Consolidated Revenue Fund.

The CHAIRMAN: That is the point.

Mr. FACTOR: I think this bald proposition does not need the elaboration of Mr. Murray or anyone else, with all due respect. I think if Mr. Martin would put this in the form of a motion—

Mr. MARTIN: That procedure would not be proper.

Mr. WOODSWORTH: I do not think we ought to hear any more about it if Mr. Martin is not prepared to put his proposition forward in the ordinary way of a motion. I do not think we should re-open the discussion to-morrow or at the next sitting of the committee.

Mr. FACTOR: If Mr. Martin is not prepared to move that motion, I am prepared to move that the licence fee be reduced to \$2 and that the management bring to the committee at its next sitting a budget estimated on revenue derived from a licence fee of \$2.

Mr. BERTRAND: I do not think we should reduce the budget of the Canadian Broadcasting Corporation by the small amount of fifty cents, which represents the price of a few cigarettes per week. The Canadian Broadcasting Corporation need more money to provide better service. If we take it from the Consolidated Revenue Fund, the Consolidated Revenue Fund will have to get the money from some other source.

Mr. FACTOR: I am not advocating taking anything from the Consolidated Revenue Fund; I am suggesting to you, Mr. Chairman, that at our next meeting the management submit to this committee a budget estimated on revenue derived from a licence fee of \$2. Then we would be able to see what curtailments and restrictions would result. I am prepared to admit that if any serious curtailments or restrictions would result from a reduction of the licence fee to \$2 I would not vote for my own motion. But I should like to see a budget prepared by the management based on the revenue derived from a licence fee of \$2.

Mr. ROSS: I do not think we are in a position to take Mr. Factor's motion at the present time. He says himself he must have further information before a motion of that kind can be put.

The CHAIRMAN: I think Mr. Factor is making the suggestion that at our next meeting Mr. Gladstone Murray bring down a statement of what the present budget is and how a reduction of fifty cents in the licence fee would affect the budget. That is your point, Mr. Factor?

Mr. FACTOR: Including the details. There will be a loss of \$600,000. Assuming for the purpose of argument that we pass this motion, the radio corporation will have to prepare a budget along the lines of a \$2 licence fee.

The CHAIRMAN: Mr. Murray will bring that and have it for us at the next meeting. I think the discussion with respect to the revenue from licence fees and so forth cannot go on intelligently until we have heard from Mr. Gladstone Murray. We have but ten minutes more and in that time I would suggest that we should take up with Mr. Brockington the question of the discontinuing of the advertising of beer and wine in the province of Quebec, which we have been told is to be discontinued from and after the 1st of April of this year. I do not think we would have any time left this morning in which effectively to deal further with this question of reduction of radio licence fee.

Mr. TURGEON: Before you leave this question of licence fees, I agree with Mr. Factor's request, and I would like Mr. Gladstone Murray to bring also a budget having in view the collection of a \$2.50 licence fee as well as a budget having in mind the collection of a licence fee of only \$2.

The CHAIRMAN: Mr. Murray has a note of that.

Mr. THOMPSON: I think we could settle the question here to-day. I think we should decide now as to whether or not this committee wants the revenue raised by a fee paid by the users of radio, or whether they want it paid out of the consolidated revenue fund. I think that is a question which should be settled and not left to be coming up here again and again and threshed out each time. If Mr. Gladstone Murray will furnish us with the particulars we will be in a position to decide whether in our judgment the fee should be reduced or left as it is.

Mr. DUPUIS: Might I suggest, Mr. Chairman, about this radio licence fee, that even if the committee decide to reduce it by fifty cents, and put it back to where it was before last year, according to the experience of those who have been in charge, I mean the Department of Transport, those who are in charge of collecting licence fees, I am firmly of the opinion that if this collection is made more efficiently, if the collectors are better equipped, and if they have a better opportunity of being understood, I believe that even with a decrease in the licence fee we will have a larger revenue, because I am sure, and I feel that every member of this committee must know, that there are at least fifty per cent who do not pay the fee.

The CHAIRMAN: Of course, that is a very difficult matter to estimate.

Mr. DUPUIS: Perhaps I should modify that and say that at least 25 per cent do not pay. I would reduce my estimate to that.

The CHAIRMAN: It is ten minutes to one, gentlemen, what is your pleasure?

Mr. BERTRAND: In connection with the matter of this brewery program and the advertising of beer and wine or hard liquor, it is not against the country's morals, and it is not doing any harm to the broadcasting corporation; therefore, I do not know why the corporation should pass a regulation in connection with the abolition of these programs. I understand that the regulation will apply only to the province of Quebec, because in all of the other provinces they have liquor boards, and in every case the liquor board has already provided for the program by a regulation forbidding advertising of beer, hard liquor or wine. I know that in Ontario it comes under, I think it is Section 72 of their Act, which prohibits the advertising of beer. Why should this corporation pass a by-law which is going to effect only the people of Quebec, particularly when each of the provinces has a board whose duty it is to deal

with matters of this kind within the province. The provinces are licensing and getting a profit out of their liquor boards, and they are licensing the merchants to sell beer, and I suggest to you that it is for them to decide whether or not advertising of that kind should be permitted over the air and not for the Canadian Broadcasting Corporation. I am strongly against such action being taken in the form of the passing of a by-law by the corporation, I have a great deal of sympathy for those who are working as artists and to whom a curtailment of these programs will mean loss of work, but I think this should be left to the proper authorities, that is to the liquor commission of the province of Quebec to make the decision. If the liquor commission of the province of Quebec were to pass a by-law similar in type to that which is in force to-day by the liquor board of the province of Ontario it would settle the question without this corporation having to deal with the matter, a matter which, I submit, is not within its jurisdiction.

Mr. DUPUIS: As this point is allowed to come before the committee, I understand that the reason is that the CBC is helping the temperance movement.

The WITNESS: I think perhaps I should say something about it before you take final action. I may be able to give you some very good reasons.

Mr. DUPUIS: The only reason I see in forbidding that is in the point of view; one beer might have a larger volume of consumption than another. That is the only question I see in it; and I have a suspicion that some of the interests in Ontario are supporting it because they have their beer in Ontario and they do not advertise it. The argument is that because Molsons and Black Horse is advertised there is a larger rate of consumption of, say Black Horse, than there is of Ontario beer. If there is such a motive back of it, which I do not believe, I think such a motive should not be accepted by this committee. After all, if I remember my history well, in Noah's time there was no radio broadcasting yet his son got drunk.

The CHAIRMAN: Were you there, Mr. Dupuis?

Mr. DUPUIS: Excuse me?

The CHAIRMAN: Were you there, Mr. Dupuis?

Mr. DUPUIS: No. That is what I am told, and I still believe in the scripture. I do not know if many of you gentlemen still believe in it or not, but I do. Before the radio was established in this country there was a greater consumption of beer and strong liquor than there is to-day, and I could give you statistics to support that statement. I am trying to base my argument on reason and sound logic. I have statistics to show that if we take the last ten years there was a greater consumption before these programs were sponsored than there has been since; that is the point. Moreover, the generosity of companies like the National Brewers and Molsons, which after all are owned by distinguished families, among the most distinguished families in this country I am prepared to state—and, mind you, I do not expect to borrow fifty cents from them for making that statement—I do want to render justice where justice is due.

Mr. WOODSWORTH: Mr. Chairman, if we are to have a public boost for a particular company I think some of us reserve to ourselves the right to discuss the whole matter at this session and in this committee. I personally, as a member of the committee, object to a one-sided point of view being taken, and especially on the basis of certain private families.

The CHAIRMAN: The only reason I suggested taking this matter up, Mr. Woodsworth, was that we had barely ten minutes left of our morning's sitting, and I think perhaps we should have a statement from Mr. Brockington now. We want to hear from him what the situation is in so far as the broadcasting corporation is concerned.

Mr. WOODSWORTH: That is not what we are getting now.

The CHAIRMAN: We want to hear from him as to why the broadcasting board wants to discontinue the practice as from the 31st of March. I think Mr. Brockington is prepared to answer the statements which have been made.

Mr. DUPUIS: I did not intend to boost any particular company at all, my only purpose was to mention those companies who have a sponsored program now on the air.

The CHAIRMAN: Would it not be well for us to hear now from Mr. Brockington, to let him make his statement?

Mr. DUPUIS: I just wanted to make my point in argument.

The WITNESS: I think perhaps I could explain the situation as faced by this board when we first came in. Also I should like to draw attention to the position in other English-speaking countries and particularly in the United States of America. Our present regulations prohibit the broadcasting of any advertising of spirituous liquors. I think that the broadcasting of beer and wine over the radio is not and was not prohibited in the province of Quebec and is not I think prohibited in the province of British Columbia. The difference between British Columbia and Quebec was that Quebec had in fact been broadcasting programs of this kind whereas British Columbia had not. When we first came to deal with this question, as you may well imagine, on a board of governors such as ours, there were conflicting opinions as to what we should do. After a review of the matter when we first came into office our decision was that we would not interfere in what had been taking place in Quebec, quite locally, subject, however, to certain restrictions under which the advertising content of this kind of program was restricted and supervised by our general manager. It was felt that perhaps a direct interference at that moment with what had been the general practice in Quebec might have been taken by the people of Quebec as some discrimination against them.

Our next step was to ascertain what the attitude of the people of Quebec was towards this matter, and as a result of that move a strange thing transpired; whereas we were solicitous not to interfere with what might appear to be the rights of Quebec, there was a large opinion gradually becoming vocal in Quebec that they did not wish to be distinguished as the only province in Canada which allowed advertising of beer and wine. Now, that is just the background of popular opinion. One must consider the attitude of the ordinary citizen in this matter. There are men who have quite sincerely a passion for prohibition. There are others who are quite sincere. And who for reasons of their own they take a strong opposite view. There is also the view of the average citizen. He is the one who takes the view about beer and wine that perhaps after all it is not the evil that some people think it is. However, the radio is a peculiarly intimate medium, and, as Mr. Gladstone Murray has pointed out, one which goes right into the home. We have to keep in mind what the effect of advertising by the liquor traffic may be, and we felt that there was some objection to advertising going into our Canadian homes to encourage young people to drink beer or wine. Now, that is a perfectly logical attitude for a broadminded man who is not a prohibitionist to take, and one must obviously give consideration to this point of view. With reference to the programs associated with this type of advertising in Quebec, they have been a splendid type of program, as far as I know. As a matter of fact, I am told that they include some of the best programs on the air; and at the present time, as far as we can judge from expressions of opinion in Quebec, I do not think there is any objection to the artistic content of the programs as such. We have, however, to consider the representations which are being made to us with respect to this matter. Within the last week I have received dozens of letters and telegrams from all kinds of organizations, both church organizations and others, passionately protesting against the advertising of beer and wine over the air. I think there is a large sentiment in Quebec—and I must defer to the reaction of our Quebec colleagues

[Mr. Leonard W. Brockington, K.C.]

on the board—an overwhelming sentiment in Quebec against the advertising of beer and wine on the air. The sentiment in that regard, so far as I have been able to find it, is all against the practice. Quite naturally, the artists and those who have been taking part in these programs have protested against their discontinuance as a move to protect themselves from unemployment. That is the first source of protest we have received, and the second is from parties, people who have been enjoying these programs, who have registered a protest against the removal of these programs from the air. That all presents a rather involved problem.

Mr. BERTRAND: Why not refer it to the liquor board of Quebec?

The WITNESS: In reply to those parties who are active in their support for the retention of these programs, I might say that some of these programs will no doubt continue under other sponsorship, that a solution to the problem may be found through our being able to get other sponsors for them. If we are able to do that then these artists will not be thrown out of work. As I said, a number of these programs are very excellent. I have in mind one in particular which I think is called "Fridolin." I understand that is particularly good and I am sure it is one which will readily find a sponsor. I am sure that the broadcasting corporation will do everything in its power to overcome any possible unemployment as a result of our regulation going into effect. I might say further, that this matter is coming before our board meeting which will be in Montreal on the 20th of March. There are certain resolutions to come before that meeting. We will be guided, largely, by the opinion of our Quebec colleagues, both as to provincial sensibilities and popular sentiment. Our resolution was that we would not allow advertising of this kind on and after March 31 next; the CBC would adopt a resolution that on and after this kind of program would not be allowed. After all, we have something at least to go on apart from provincial rights. We would not want to upset provincial rights, particularly in a province like Quebec, which as everyone knows has particular views which I for one completely respect. The plain facts are, first of all there is an overwhelming opinion in Quebec against these programs; secondly, we believe it to be our duty if such an opinion does exist to see that any regulation which we think it proper to pass is put into effect across Canada, no matter what position the liquor boards may take; and the third point is, that I do not think that in any English speaking part of the world, certainly not in the United States of America, any programs advertising beer and light wines is allowed on any of the radio chains. It was not our purpose in any way to invade the rights or annoy the sensibilities of the people of Quebec. We intended to inquire as to what those sensibilities were. We have been informed by our Quebec colleagues, and the opinion has been confirmed by our own methods of getting public opinion, that an overwhelming majority of the people of Quebec do not want beer and wine advertised on programs. At the same time, there is a very general desire to retain certain of the programs, and there is a general desire on our part not to see anybody thrown out of work because of a change. All of these matters, however, will be discussed in Montreal on the 20th. I have been waited upon by the artists and the musicians personally, and I talked to them in as friendly a way as I could. They were very courteous to me, and I elicited a lot of information from them. These artists will be coming before us on the 20th, and I have no doubt that other organizations will come before us at that time also. At that time the board will take definite action. I have tried to give you the historical background of what has been done to date and a summation of the position as I see it to-day.

Mr. DUPUIS: Is it not decided already? You said that the board is to meet on March 20th, has it not already discussed and decided this matter?

The WITNESS: Obviously, Mr. Dupuis, if a majority of the board decides on March 20th that it does not want to stop it, it will not be stopped.

Mr. DUPUIS: The question as I understand it, Mr. Chairman, is that Mr. Brockington suggests that the board of governors are against it while at the same time their Quebec colleagues are in favour of retaining these programs. Obviously they will be defeated. As far as I am concerned if anybody can convince me that the sponsoring of the advertising of beer and wine over the radio will cause an increase in the drinking of beer generally instead of promoting the sale of one kind of beer in particular, I would be against it. One of my objects in discussing this matter this morning is that I did not want to see artists thrown out of work onto the street. I made a study of this question and the results of my study show me that the consumption of beer and wine has not been increased because of this type of program.

Mr. BERTRAND: Mr. Chairman, I suggest to Mr. Brockington that the first thing his corporation has to do is to consider whether this matter is a provincial affair or whether it is one that comes under our purview. I think that if you were to examine what has been done by other provinces, you will find that generally these are matters which are dealt with by the liquor commissions of the several provinces. The liquor commission of the province of Quebec is after all the party which benefits by this trade, and if it were to pass a by-law the same as regulations which have been passed by the board in Ontario, that would be the end of the matter so far as the province of Quebec is concerned.

Mr. DUPUIS: I think that is a good suggestion. After all, this is a matter which should be left to the decision of the Liquor Control Board in Quebec.

The CHAIRMAN: It is now after one o'clock and Mr. Brockington has made his statement which is that the whole matter will be under review at a special meeting of the board of governors which will be convened in Montreal on March 20th.

The CHAIRMAN: What is your pleasure in regard to our next meeting?

Mr. MARTIN: I think we can sit to-morrow.

The CHAIRMAN: I do not think we can sit to-morrow as it is Wednesday. There are no Conservative members here but I understand they always have a caucus on Wednesday.

Mr. MARTIN: I would suggest that we ask leave of the House to sit while the House is in session.

Mr. BERTRAND: I would so move, Mr. Chairman.

Mr. DUPUIS: Sit in the afternoon.

The CHAIRMAN: You have all heard Mr. Bertrand's motion.

Mr. DUPUIS: What is it?

The CHAIRMAN: The motion asks leave to sit while the house is in session. We do not need to exercise that unless the committee wishes.

Mr. DUPUIS: It would be well to have the power.

Motion agreed to.

The WITNESS: Do I understand that I am not required on the stand on Thursday morning?

The CHAIRMAN: Mr. Brockington has certainly worked overtime and given us a lot of information. I believe we should give him a holiday.

Mr. MARTIN: What is your salary?

The WITNESS: I do not get a salary. I get \$1,500 honorarium, out of which I have to pay a large number of personal expenditures. I expect that I about break even.

Mr. MARTIN: I am all for increasing the expenditures and giving you an adequate salary.

The WITNESS: No, sir. I think that is quite wrong.

The committee adjourned at 1.10 p.m. to meet on Thursday, March 16, at 11 a.m.

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SESSION 1939

[HOUSE OF COMMONS



SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

THURSDAY, MARCH 16, 1939

WITNESS:

Mr. W. E. Gladstone Murray, General Manager Canadian Broadcasting Corporation.

OTTAWA

J. O. PATENAUME, I.S.O.

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1939

MINUTES OF PROCEEDINGS

THURSDAY, March 16, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bouchard, Dupuis, Factor, Hamilton, Isnor, Lawson, MacKenzie (*Neepawa*), Martin, Patterson, Ross (*Moose Jaw*), Slaght, Thompson, Turgeon, Woodsworth.—15.

In attendance:

Mr. Alan B. Plaunt of the Board of Governors, Canadian Broadcasting Corporation;

Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;

Dr. Augustin Frigon, Assistant General Manager, Canadian Broadcasting Corporation;

Mr. H. N. Stovin, Supervisor of Station Relations, Canadian Broadcasting Corporation;

Mr. W. O. Findlay, Assistant to Chief Executive Assistant, Canadian Broadcasting Corporation;

Mr. T. T. Odell, Executive Office, Canadian Broadcasting Corporation;

Mr. H. W. Morrison, Program Department, Canadian Broadcasting Corporation;

Mr. R. E. Keddy, Secretary to General Manager, Canadian Broadcasting Corporation.

The Chairman filed a telegram received from the Union of Blind Musicians of Montreal and also one from Walter M. Murdoch, of Toronto, representing the Professional Musicians of Canada, for consideration by the Canadian Broadcasting Corporation.

Mr. Dupuis presented to the Committee a statistical brief regarding the consumption of beer and wine in the Province of Quebec.

It was then moved by Mr. Dupuis and seconded by Mr. Bouchard,—

Whereas the Canadian Broadcasting Corporation has prohibited sponsored programs advertising beer and wine in provinces where there is a provincial regulation to that effect:

Whereas in the province of Quebec there is no regulation prohibiting such program, and whereas such regulation prohibiting advertising of beer and wine belongs solely to the Province because such law would affect private property and Civil Rights,

This Committee is of the opinion that the Canadian Broadcasting Corporation should not pass a regulation prohibiting the advertisement of beer and wine unless such provincial regulation be adopted in the province concerned.

Discussion followed and Mr. Factor moved in amendment thereto:

That consideration of Mr. Dupuis' motion be postponed until the Committee shall have had an opportunity to gather information on the subject matter of the motion and that this Committee is of the opinion that the contemplated action of the Canadian Broadcasting Corporation should be postponed pending further consideration by this Committee.

Mr. Gladstone Murray took the witness stand and presented to the Committee information requested by Mr. Factor in regard to the effect any reduction in the present licence fee would have on the policies of the Canadian Broadcasting Corporation.

The Committee then adjourned to meet again on Friday, March 17, 1939, at 11 o'clock, a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

THURSDAY, March 16, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. Arthur Beaubien, presided.

The CHAIRMAN: Gentlemen, will you kindly come to order, we have a quorum.

I think it was understood at our last meeting that Mr. Gladstone Murray would be on the stand to give us a breakdown of the expenditures of the Canadian Broadcasting Corporation, and also to give us information as to the feasibility of reducing the licence fee; that he would undertake to indicate to the committee what effect it would have on the CBC. Is it your wish that we should hear Mr. Gladstone Murray this morning?

Mr. BOUCHARD: I would move that we hear Mr. Murray.

Mr. W. GLADSTONE MURRAY, General Manager, Canadian Broadcasting Corporation, called.

The CHAIRMAN: Before Mr. Murray proceeds: I have received a telegram from the Union of Blind Musicians, Montreal, asking that certain programs of the Canadian Broadcasting Corporation, in which they are interested, be continued. I do not think I need to translate this telegram for you, it is in French; I will refer it to the management as it is a matter which concerns them directly.

I am also in receipt of a very long telegram from a Mr. Walter M. Murdoch, Chairman of the Canadian Radio Committee, representing professional musicians of Canada, 402 Metropolitan building, Toronto. I will read the telegram for your information, and then we will have it on the record.

Mar. 15,

Toronto, Ont.

A. L. BEAUBIEN,
Chairman Special Committee on Radio Broadcasting,
Parliament Bldgs., Ottawa, Ont.

DEAR MR. BEAUBIEN: We are alarmed on reading minutes Special Committee on Radio Broadcasting to learn it has been suggested basic radio licence fee be eliminated or reduced as it will seriously effect livelihood professional musicians and artists throughout Canada Stop Through co-operation Canadian Broadcasting Corporation symphony concerts have been presented Canadian and American networks from Vancouver, Calgary, Winnipeg, Toronto and Montreal Stop Until this last year Canadian citizens had not been able to enjoy cultural advantages Canadian symphony orchestras Stop The great majority of these musicians and artists largely depend on symphonic music for livelihood Stop We have computed that reduction in licence fee from two fifty to two dollars will mean decreased revenue approximately six hundred thousand dollars Stop We fear reduction would not only mean elimination Canadian symphonic broadcasts but also result would be serious curtailment ordinary sustaining programs originating in corporations

stations Stop The result would be our Canadian public would have to receive this higher type of program from United States stations and networks

While our Canadian musicians remain idle at home Stop there are thousands unemployed musicians in Canada who have been kept off Government relief rolls through co-operative effort local musicians organizations Stop May we respectfully urge your Committee do not interfere with basic radio licence fee even if in your wisdom you decide it is in best interests of country to eliminate multiple licence on more than one machine in a home or modify present fee on more than one receiving set Stop We respectfully petition your Committee to give interests Canadian artists and musicians your most thoughtful and constructive consideration.

WALTER M. MURDOCH, etc.

Mr. FACTOR: Mr. Chairman, you might be interested to know that I received a telegram almost identical in terms from Mr. Murdoch who is the president of the Toronto Musical Protective Association. I think it is only fair that you should draw the attention of members to your telegram and have it placed on the record.

Mr. DUPUIS: Mr. Chairman, following the discussion with which we concluded our last meeting, with reference to the prohibition of sponsored programs advertising beer and wine in the province of Quebec, I thought it appropriate to make a thorough study of the question in an effort to discover whether or not I and other members of this committee were justified in trying to have things left as they are at the present time in the province of Quebec. I have here statistics to substantiate what I said the other day, that since these programs of advertising in the province of Quebec have been on the air there has been no increase in the consumption of beer and wine as a direct result of such advertising. I will give you the figures for some 14 or 16 years back. I have here a brief—

Mr. ISNOR: Whose brief is that, please?

Mr. DUPUIS: This is a brief that has been prepared by the National Brewers, together with information which I obtained myself looking through our own statistics.

Mr. ISNOR: Who was it presented by?

Mr. DUPUIS: It has never been presented, it is just a brief prepared. If you wish a copy I shall be glad to see that you are furnished with one.

Mr. ISNOR: I just wanted to have the record clear with respect to it.

Mr. DUPUIS: Yes. Now, taking the figure with respect to beer in the province of Quebec. In 1922 the amount in round figures was 21,700,000 gallons. That was in 1922. In 1926 it was 18,184,000 gallons. Beer imported from Ontario and sold in Quebec in 1922 was 579,000 gallons, and in 1936 it was 1,199,000 gallons. With respect to beer exported from Quebec to other provinces—about 60 per cent of it was sold in Ontario—in 1922 the figure was 241,000 gallons, and in 1936 it was 4,158,000 gallons. I am only going to give you the figures with respect to the province of Quebec, because it is that province alone which is concerned in this question of the prohibition of the advertising of beer and wine; and these figures show that there has been a decline in consumption of over 3,000,000 gallons of these beverages in the province of Quebec as shown by the figures for 1922 when compared with those for 1936.

At the outset I would like to state that I have every respect for those who are trying to establish temperance anywhere in our country. I am myself trying to be temperate. I am against prohibition because to my mind

[Mr. W. E. Gladstone Murray.]

prohibition could be compared to a boiler under which there is a hot fire of one hundred and ten degrees temperature and no way by which the steam generated by it could possibly escape, and there could only be one result, an explosion. The prohibition of liquor consumption has been tried in many countries, in many provinces, and in the United States, and the result in each case has been that there was more harm done to the average citizen of those provinces and of the United States because of the absence of regulations of that kind than has been apparent since regulations were introduced. At that time the province of Quebec was regarded as being behind the times, but a few years later that province passed legislation which was followed by all of the other provinces and by the United States.

Now, Mr. Chairman, suppose we pass such a regulation prohibiting sponsored programs advertising beer and wine in the province of Quebec, what will occur? The answer to that is that the same thing will occur in Quebec as has occurred in the other provinces where such legislation has been passed; by that I mean that the breweries will find other ways and means of advertising.

The CHAIRMAN: Just in respect to that point, Mr. Dupuis, so as to keep the record straight; there is no doubt at all that radio is entirely a matter of federal jurisdiction. I think the Privy Council gave a decision on that point some years ago, and that decision distinctly established it as a federal jurisdiction. I just say that to keep the record clear.

Mr. SLAGHT: Yes, Mr. Chairman, but having federal jurisdiction it was never intended to exercise it in matters of property and civil rights against say any particular province, and force down their throats, something, some decision they do not want.

The CHAIRMAN: I know. I just wanted to keep the record straight.

Mr. DUPUIS: I just want to say to the members of this committee, what would be the result if we impose that on Quebec? For instance, with all due respect to Mr. Brockington, actually the breweries in Ontario are evading the law or getting around the Act by advertising in the United States, although Mr. Brockington said that the advertising of beer and wine in the United States over the radio was not allowed at all. I have here evidence that it is done daily. It is done through the mediums of stations such as WEAF, WOR, WLEW and WINS, as well as many other stations. Further than that, I am informed, and I can prove that the Ontario Brewers are advertising their beer through the medium of American stations, and if the same thing is done in the province of Quebec the breweries of the province of Quebec will get around the difficulties just in the same way others have.

Now, in the *Gazette* of yesterday I saw an article concerning "Radio Beer Ban," that it would work no ill on performers. Then, there is a further article here headed, "Duplessis to Hear Plea." It says, "A delegation representing the radio workers to be affected by the proposed ban on beer programs in the province of Quebec will be received to-morrow at 2 p.m. in Quebec city by Premier Duplessis, it was announced."

Moreover, it goes on to say; "Workers' headquarters announced yesterday that the total number of letters and names on petitions received to date is more than 12,000."

It also states that Mr. Louis St. Laurent, K.C., who is well known to many of the members of this committee, and he also comes from Quebec, has been appointed counsel to plead the workers' case before the CBC board of governors in Montreal next Tuesday. While this committee was given to understand by the board of governors that that board would not be approached by the brewers, I am informed, and I think this publication contains a reference to it, that Mr. St. Laurent will represent the brewers as well as the workers before the meeting of the governors of the CBC which is being held in Montreal on Tuesday of next week.

I do not think it is necessary to go into this matter at any great length. I do not think I need do more than ask members of this committee to support the view that notwithstanding the fact that radio has been definitely determined to be a matter of federal jurisdiction by a judgment of the Privy Council there shall, as my learned confrere, Mr. Slaght, so ably expressed it a moment ago, such a federal body having such jurisdiction should not invade the rights of the provinces particularly where the right concerned is one established definitely by the British North America Act. Further to that I am of the opinion that should such a regulation as is contemplated be passed, one preventing these companies from continuing their advertising programs over the air, quite a number of people would be thrown out of employment and will sustain a substantial loss in wages. I submit that it is enough for this committee to conclude that such a regulation would affect private property and civil rights within the province; and, consequently, with your permission, I will move the following resolution:—

Whereas the CBC has prohibited sponsored programs advertising beer and wine in provinces where there is a provincial regulation to that effect:

Whereas in the province of Quebec there is no regulation prohibiting such programs;

And whereas such regulation prohibiting advertising of beer and wine belongs solely to the province, because such law would affect private property and civil rights;

This committee is of the opinion that the CBC should not pass a regulation prohibiting the advertisement of beer and wine unless such provincial regulation be adopted in the province concerned.

Mr. BOUCHARD: I second that motion.

Mr. SLAGHT: Might I ask of Mr. Gladstone Murray whether or not there is a regulation on that particular subject. Is there one, do you know, Mr. Murray?

The WITNESS: There is a regulation prohibiting the advertising of spirituous liquors throughout Canada.

By Mr. Slaght:

Q. On any program?—A. On any program.

Q. From any province?—A. From any province. Perhaps it would be well if I were to read the actual wording of the regulation for the information of the committee. It comes under regulation 11 on page 10 of the green book, copies of which you have before you. After setting out a number of prohibitions, including any act or thing prohibited by law, and so on, we come to section (e) spirituous liquors; and then section (f) "wine and beer in any province of Canada wherein the provincial law prohibits the direct advertisement of wine and beer, nor in any other province unless immediately prior to the coming into force of these regulations wine and beer have in fact been directly advertised in such province through the facilities of radio."

(2) Whenever wine and beer are advertised through radio facilities, the following special regulations shall apply:—

- (a) No spot announcements shall be used for the direct or indirect advertisement of wine or beer;
- (b) All continuities in programs directly or indirectly advertising wine or beer shall, prior to their broadcast, be approved by the Corporation as to the continuity and the form, quantity and quality of the advertising content thereof."

[Mr. W. E. Gladstone Murray.]

I would just like to add to that that no stations of the CBC in any province allow any advertising of spirituous liquors, or of wine or beer.

The CHAIRMAN: Mr. Brockington indicated in his statement to the committee the other day that it was the intention of the CBC to prohibit such advertising on or after the 1st of April next.

Mr. DUPUIS: Yes.

The CHAIRMAN: Now, gentlemen, are you ready for the question?

Mr. DUPUIS: I think we might make a distinction there. Mr. Murray has said that the CBC does not carry any of these advertising programs, but I think we might make a distinction with respect to private stations.

Hon. Mr. LAWSON: As I understand it there is no regulation now prohibiting the advertising of beer or wine over the private stations, but it is proposed to pass one.

The WITNESS: That is right.

Hon. Mr. LAWSON: As of April 1st, 1939?

The WITNESS: Yes.

Hon. Mr. LAWSON: Under those circumstances, Mr. Chairman, and I am only speaking for myself, I do not like to see this committee make piece-meal decisions. Ultimately we are going to have to make a report and whatever report we are going to make I think should cover all phases of the subject matter with which we have to deal. I do not think we should go at it peace-meal, passing one thing to-day and something else to-morrow. Further than that, I should like to have an opportunity to give this matter a bit of thought before recording a vote one way or the other on it. I would like to get more information on it. I think probably the CBC if representations were made to them by the chairman of the committee might postpone the passing of the regulation until this committee has had an opportunity of making its report; then, if the committee makes no report with respect to the subject matter the CBC is in effect in the same position as it was except that it has postponed its action for a short period of time. If the committee makes a recommendation one way or the other the CBC can take note of it.

The CHAIRMAN: Naturally the question of program control is in the hands of the Canadian Broadcasting Corporation to a very large degree. However, I think if this committee expresses an opinion on any particular matter the CBC would take cognizance of that expression of opinion and act accordingly.

Hon. Mr. LAWSON: Should we express it at this time when we are going ultimately to make a report to the House

Mr. DUPUIS: Might I point out that the only reason I brought this matter to your attention now is because of the fact that the CBC are going to take action on Tuesday next.

Hon. Mr. LAWSON: I am merely suggesting that I think that if the CBC are approached they would withhold their action pending a disposition of the question by this committee.

The CHAIRMAN: Would not this serve as a guide to the board of governors of the CBC at their meeting on Tuesday next.

Hon. Mr. LAWSON: Of course, once we pass it it is a recommendation of the committee, and you cannot withdraw your recommendation when you make up your report to the House, even if you want to.

Mr. Ross: I agree that we have not as yet had a chance to look into this matter properly. The CBC are not hurriedly stepping into a matter of this kind without having some idea of the opinion of the people of the province of Quebec as a whole. I think it is important that we should be informed as to that and that we should not pass any resolution here at all. Let us find out how it is going to affect these people.

Mr. FACTOR: Might I suggest that it would be quite in order for us to express our opinion, that at least this matter should be postponed until the committee has a better opportunity of investigating it. I am quite sure that the board of governors and the management would heed an expression of opinion by us of that kind.

The CHAIRMAN: This resolution does express a pretty definite opinion, Mr. Lawson. It says, "This committee is of the opinion that the CBC should not pass a regulation prohibiting the advertising of beer and wine unless such a provincial regulation be adopted by the provinces concerned."

Hon. Mr. LAWSON: All I have to say with respect to it is that from the limited knowledge I now have of the subject matter, I personally do not care to express an opinion, and therefore I shall vote against the resolution; but I do not want it to be taken because I vote against the resolution that I am opposed to the advertising of beer and wine over the radio. I am voting against it simply because at this time I have not the knowledge on which to come to a conclusion.

The CHAIRMAN: In other words, your suggestion is that the motion should stand.

Hon. Mr. LAWSON: Until the committee makes its recommendations.

Mr. SLAGHT: Would not this solve it: The hon. member might permit an amendment to his motion to make it read that no action should be taken by the board of governors of the CBC until after this committee has an opportunity fully to consider and deal with this topic. I think that would be a solution to our present difficulty. I suggest that my friend (Mr. Dupuis) would find it to his advantage to do that, particularly in view of the fact that several of the members of the committee do not feel that they know enough about it, like Mr. Lawson, and would vote against it on that ground. I do not think it should be very difficult to re-draft the motion with that end in view.

The CHAIRMAN: Mr. Dupuis, will you re-frame your resolution along the lines that Mr. Slaght has suggested?

Mr. FACTOR: I think it would be better, Mr. Chairman, to allow this motion to stand and to pass an amendment recommending that consideration of this matter be postponed. In the meantime we might indicate our opinion that the regulation proposed should not be put into force until we have had an opportunity to consider the motion. I think an amendment would be preferable, because if you amend the motion you would not have an opportunity of considering the problem per se.

The CHAIRMAN: What is your amendment?

Mr. FACTOR: I would move in amendment:—

That consideration of Mr. Dupuis' motion be postponed until the committee shall have had an opportunity to gather information on the subject matter of the motion and that the committee is of the opinion that the contemplated action of the CBC should be postponed pending further consideration by the committee.

Mr. ISNOR: I do not wish to prolong the argument, but the CBC have already announced their policy in respect to this matter, and their policy is intended to go into effect on April 1st. As I understand this amendment it is nothing more or less than asking them to delay action until this committee has taken action one way or the other in respect to this motion. If we accept this amendment we place them in the position of not being able to act on their already announced policy respecting advertising of this kind; is that not so?

Mr. TURGEON: If we do not take action they just go ahead.

[Mr. W. E. Gladstone Murray.]

Mr. ISNOR: I was going to suggest that instead of an amendment we simply lay this on the table as a notice of motion to be taken up at our next meeting.

Mr. SLAGHT: That would not get us anywhere.

Mr. ISNOR: If you follow that you are not holding up action by the CBC indefinitely.

Hon. Mr. LAWSON: What is the use of discussing something when it is an accomplished fact?

Mr. ISNOR: It is not.

Hon. Mr. LAWSON: It will be in a few days.

Mr. TURGEON: I find myself entirely in sympathy with the views expressed by Mr. Lawson and Mr. Slacht. With regard to Mr. Factor's amendment, I do not like this committee just jumping in and interfering with the internal economy of the corporation on measures which admittedly are not properly recognized and discussed by members of the committee. It seems to me that there has been a somewhat definite announcement to the effect that the question of the broadcasting of advertising of wines and beer is to be considered at the coming meeting of the board of governors which is to be held within the next few days.

Mr. DUPUIS: It is being held on Tuesday next.

Mr. TURGEON: Yes, on Tuesday next; it has been further indicated that a motion to prohibit such broadcasting will probably be endorsed by the members of the board of governors, and that the prohibition will become effective on April 1st; and Mr. Factor's amendment is simply suggesting the board of governors should delay definite action with regard to this particular matter until the committee has had an opportunity of considering it. It would only be a suggestion from this committee, it would only have the force of a suggestion, but naturally coming from a parliamentary committee such as ours it would have weight with the board of governors. May I say that I am in thorough accord with the amendment as expressed by Mr. Factor.

Mr. Ross: I wonder whether Mr. Gladstone Murray could tell us whether or not a definite decision has been made by the commission with regard to the bringing into force of this new regulation as from and after the 1st of April?

The WITNESS: The exact position, as I understand it, Mr. Chairman, is that early in January, I think it was in the first few weeks of January, an intimation was communicated on the instruction of the board of governors, by me, to the manager of each privately owned station. The suggestion was that it was undesirable for them to accept contracts extending beyond March 31st, as there was a strong possibility of a change in policy being officially notified at a board meeting in Montreal in the third week of March. It was a friendly warning to avoid a possible financial derangement as the result of such action on the part of the board. That is the position as I understand it.

Mr. SLAGHT: Well, the law has been this way for years and there is no rush to change it. I am sure, while we cannot ask Mr. Gladstone Murray for an undertaking—he cannot speak for the board—the amendment will be respected by that board and our wishes will be deferred to, and the changes will not be put into effect until we have reached a decision on it.

The CHAIRMAN: I am of the opinion, Mr. Slacht, that the discussion we have had to-day, even without the passing of any motion or amendment, will have the desired effect.

Mr. BOUCHARD: How many provinces does this affect?

The CHAIRMAN: Just the one province.

Mr. BOUCHARD: Just the one province; what about British Columbia?

The CHAIRMAN: I do not know anything about that.

Mr. TURGEON: I was going to ask about that; we have advertising of liquors in British Columbia, so long as the advertising is accompanied by a statement that it is not inserted either directly or indirectly by the liquor commission. I do not know whether or not there is any advertising over the radio, but there is newspaper advertising of this kind in British Columbia.

Mr. SLAGHT: By taking this action we will still leave the law just as it stands with respect to British Columbia.

The CHAIRMAN: I will read this amendment again:—

That consideration of Mr. Dupuis' motion be postponed until the committee shall have had an opportunity to gather information on the subject matter of the motion and that this committee is of the opinion that the contemplated action of the CBC should be postponed pending further consideration by this committee.

Mr. HAMILTON: Mr. Chairman, is it not a fact that this committee sooner or later will be considering a number of regulations and possibly making suggestions, and so forth? My thought at the moment is that I am not prepared to deal with the matter, as has been said. My anxiety is to do what the people of Quebec wish to have done. And who is to decide what Quebec wants done? Is it to be the legislature of the province of Quebec or the board of governors of the CBC? It occurs to me that before this committee makes its final report several matters of this nature will have to be discussed. I am also wondering how far this committee wishes to go in over-riding the CBC; whether our suggestions to the board of governors on matters of regulations should be adhered to or whether the regulations of the board of governors are subject to revision by this committee, and various things of that nature. When those matters arise I think there will be a very general discussion.

The CHAIRMAN: Gentlemen, the question is on the amendment.

Mr. MACKENZIE (*Neepawa*): Mr. Chairman, are we tying the hands of these people in their conference next Monday by passing this motion? They are to decide, I believe, on Monday, whether they will go on with the matter or not.

Mr. FACTOR: It is only an expression of opinion.

Mr. TURGEON: It is only a suggestion to them.

Mr. FACTOR: They do not have to follow it if they do not want to follow it.

Mr. MACKENZIE: I do not think we should interfere at all. We have the interests of one group of people appealing against it in the province of Quebec as against the statement of Mr. Brockington when on the stand that the great preponderance of opinion, as he knows it from Quebec, is in favour of it.

Mr. THOMPSON: Mr. Chairman, I doubt very much whether we have any right to interfere with them. They are an autonomous corporation. We are here to criticize what they have done; not to dictate their policies.

Mr. HAMILTON: Even as an expression of opinion, I would not feel justified in voting for it at all.

The CHAIRMAN: Mr. Dupuis intimated this morning that this is a question which is going before the provincial government by a delegation of people, and they are going to appear before the board of governors of the broadcasting corporation on Monday.

Mr. MACKENZIE: I think we are tying their hands to a certain extent.

Mr. TURGEON: I have taken a very definite stand in this committee against certain interferences with the radio corporation. When the question was up as to the production of minutes I opposed vigorously the motion that they should

[Mr. W. E. Gladstone Murray.]

be produced. I would oppose it again if on Monday next when the corporation meet any action that they may take is questioned and a request made that their minutes be produced to this committee. I would oppose the request for the production of minutes. If we have a right to criticize, we certainly have a right to suggest.

Mr. DUPUIS: Hear, hear.

Mr. TURGEON: They are very closely related. If we are going to adopt the principle that while we have the right to criticize we must never criticize until after some action has been taken by the corporation, then this committee is not going to be helpful to the corporation and will succeed only in stirring up other criticism on actions already taken by the radio corporation. In spite of the fact that they are, as has been declared in the house officially by the minister, an autonomous corporation—there is a confliction of terms and of action—I think it is the clear duty of this committee to make suggestions to the board so long as they are in the nature of suggestions.

As I said a while ago, a suggestion from the committee will have all the force which naturally resides in a parliamentary committee. At the same time, this is a suggestion.

Now, someone questioned the interpretation of public opinion in the province of Quebec. Well, one of the duties of parliament, and therefore of a parliamentary committee, is the interpretation as well as the expression of public opinion. And I do think that this committee is well within its rights in making the suggestion to the radio corporation that, as no action has been taken during past years, no action be taken now precipitately until this committee, as Mr. Lawson suggested, has had an opportunity to give further consideration to the matter. I do not mean that any decision will be binding upon the corporation, but until we have had an opportunity to give further consideration to the matter.

Mr. SLAGHT: Speaking to the amendment, I am thoroughly in favour of it, and I do not think the apprehensions that have been expressed about tying the hands of the corporation are really well founded. I was not here, but it was indicated to this committee, appointed by parliament, that we were to investigate and report, which means to consider the past, present and future conduct of this corporation.

The CHAIRMAN: And also its regulations.

Mr. SLAGHT: And also its regulations. And in my very strong view, all its minutes should be laid bare, but I am not going to get into that. We are only saying that a law which has stood for years—probably since the very formation of the corporation—should not be changed next Monday, because a gentleman who comes from a province which has enjoyed the law as it is now has undertaken in that respect, speaking for his province, to indicate that they do not want it changed. What harm is there in telling these gentlemen next Monday to put off this matter until a future time and let us investigate and make our recommendation to you? I should be surprised if they did not heed our amendment.

Mr. MACKENZIE: I defer to Mr. Slaght's judgment as to whether we are tying the hands of the commission; I am quite willing to go ahead as Mr. Slaght suggests. The position of the people of Quebec was put on record just now by Mr. Dupuis, but if you look at page 128 of the record, the evidence of Mr. Brockington, you will find the attitude of the people of Quebec as he found it regarding this question.

Mr. BOUCHARD: We are not discussing the merits of the question.

Mr. MACKENZIE: That is all right. I do not need to read the evidence.

Some Hon. MEMBERS: Go ahead.

Mr. MACKENZIE: Mr. Brockington said:—

—whereas we were solicitous not to interfere with what might appear to be the rights of Quebec, there was a large opinion gradually becoming vocal in Quebec that they did not wish to be distinguished as the only province in Canada which allowed advertising of beer and wine. Now, that is just the background of popular opinion.

Otherwise, I am agreeable to letting the motion go.

Mr. BOUCHARD: I did not mean to indicate by seconding the motion that I am either against or in favour of beer advertised in the province of Quebec. I recognize that there is great support in favour of the prohibition of this sort of advertising, but the point we want to discuss is whether the CBC or the provincial government is the proper authority from which this prohibition should emanate.

Mr. ROSS: Mr. Chairman, is not Mr. Dupuis' motion simply that we question the right of the radio corporation to make a regulation? He says it is ultra vires of the British North America Act. I do not think that should be decided by a parliamentary committee; it can be decided by the law officers.

The CHAIRMAN: There is no question but that in this amendment we give definite instructions to the CBC to postpone putting into action the prohibition of advertising beer and wine.

Mr. FACTOR: No; not "instructions."

Mr. HAMILTON: It is a suggestion. I think the chairman of the CBC in the early stages himself said that he would welcome suggestions and was anxious to have the co-operation of the committee.

Mr. FACTOR: I should like that point made quite clear that in no way did I contemplate that this committee should issue instructions to this autonomous body to do or not to do anything. I merely intended this amendment to be an expression of opinion which the corporation can either follow or disregard. I believe that, in view of Mr. Brockington's statement that he would welcome suggestions of the committee, they will follow this expression of opinion.

The CHAIRMAN: All in favour of the amendment?

(Carried)

Mr. ROSS: No.

Mr. PATTERSON: Is the word "instructed" or "suggested"?

The CHAIRMAN: The amendment reads "suggested." I think the motion is not right. May we say, "that this committee is of the opinion that the contemplated action of the CBC be postponed pending further consideration by this committee"?

Mr. FACTOR: Yes, that is all right.

The CHAIRMAN: May we put that in?

Mr. FACTOR: Yes.

The CHAIRMAN: If you do not put that in we will appear to be telling the CBC not to pass their regulation.

Mr. FACTOR: I did not intend that. That is just an expression of opinion meaning that in our opinion the contemplated action should be postponed.

The CHAIRMAN: Is that all right?

Mr. MARTIN: Let us get on with the radio licence fees.

The CHAIRMAN: Mr. Gladstone Murray is here, gentlemen, and I think he has a statement to make.

[Mr. W. E. Gladstone Murray.]

Major W. E. Gladstone Murray, General Manager, Canadian Broadcasting Corporation, called.

The CHAIRMAN: Proceed, Mr. Murray.

The WITNESS: I have been asked to expound and to explain the budget structure that has been built on the long term policy for the creation of a national broadcasting service worthy of Canada. As the "be all" and "end all" of our existence is programs, I should have been glad if it had been possible to discuss programs in at least their broad implications as the logical background for fair consideration of the financial structure. I understand from you, Mr. Chairman, that there may be a time later in the deliberations of this committee when programs will be considered. Meanwhile, the means of provision must be dealt with. In dealing with them it is my considered opinion that it would be in order for me to take you just a little behind the scene of broadcasting and to try to communicate to you just a little of the atmosphere of the business and not to omit the intangibles which are perhaps all-important in the investigations which you may make; also to give you a few examples in illustration, putting flesh and blood into the figures which accompany.

The first task is to present a picture of the proposed distribution of resources on the existing basis of a licence fee of \$2.50.

With a licence fee of \$2.50, and assuming the same average rate of natural increase of licence fee revenue that has applied during the past two years, it might be regarded as reasonable to anticipate about 1,270,000 licences in the coming fiscal year, 1939-40. For the year 1937-38, when the licence fee was \$2, the estimated income from that source upon which the operations of the year were predicated was \$2,000,000. The result was short of this estimate by \$103,000. In the current fiscal year, 1938-39, it is estimated that revenue from licence fees will be approximately \$2,650,000.

Before dealing with the approaching fiscal year 1939-40, I should like to make clear the position of the General Manager and Assistant General Manager in regard to budget making. The management is responsible for preparing estimates of revenues and expenditure for the new fiscal year. These are submitted to the finance committee of the board of governors. The finance committee reviews the entire situation and draws up a budget which is then placed before the board as a whole for approval. The finance committee is a most active body and takes a definite and definitive part in the work of budget construction. Indeed last year, no less than four alternative budgets were prepared by the management and placed before the finance committee. The finance committee accepted none of these in entirety, but constructed a revised budget which the board then approved and which was incorporated and applied by the management.

I make mention of this to emphasize to members of this committee that I am not in a position to indicate what the views of the board of governors are, until it has considered the budget position; that is, for the next year. Members of the committee will appreciate that in discussing budget proposals I am referring only to the budget recommendations in the present stage of their elaboration.

The finance committee and the board of governors are meeting in Montreal next week to consider the budget for 1939-40, among other questions. The meeting of the finance committee is held as late as possible in the fiscal year. Broadcasting is such a flexible, fast-moving and expanding business that it would be most unwise to attempt to lay down final financial plans for a new fiscal year until almost the close of the current one. This does not mean, of course, that exhaustive study and consideration are not given in advance by the management to budget plans. They are a subject of constant discussion and review. As a matter of fact, projected budgets are prepared for several years ahead, and in some years are revised at the six month's interval.

Now, coming to the financial year 1939-40, the estimated yield from licence revenue which, after consultation with the officials of the Department of Transport responsible for the collection of licence fees, Dr. Frigon and I will submit to the finance committee of the board of governors next week, will be \$2,750,000, or an increase of \$100,000 over the current year. This means an expectation of an increase of 45,000 in the number of licensed sets next year.

Now, with regard to the other main source of revenue, that is, the income from programs sponsored for commercial purposes, it is necessary to clear up some current misunderstandings.

Mr. BOUCHARD: What is the proportion of the increase in percentages?

The CHAIRMAN: You mean of radio licences?

Mr. BOUCHARD: Yes, the number of licences for last year.

The WITNESS: It is between four and five per cent.

Mr. FACTOR: That is estimated on the present licence fee of \$2.50?

The WITNESS: Yes. It is still being suggested in some quarters that the commercial policy of the corporation is governed by an agreement with organizations of newspapers and magazines. In this connection, I should like to recall an answer I gave at the fourth meeting of the radio committee of 1938 in response to a question from Mr. MacMillan. This is what I said on March 31, 1938:—

I would like to make it quite clear that the estimate of this advertising revenue has nothing to do with consultation with vested interests. It is directly a matter of program building and the acceptance of public service responsibility.

The determining consideration, therefore, is not any restraining agreement. It is the application of the kind of program policy that makes possible the proper discharge of the functions of public service broadcasting. In the year 1937-38, we needed a commercial and miscellaneous revenue of \$355,000 as a supplement to licence revenue in order to carry out the operations required that year. In the current year 1938-39, we need between \$450,000 and \$500,000 net commercial revenue and it appears that we shall get about \$480,000.

During the present winter season, about 30 per cent of the national network time is taken up with commercial programs. During the current fiscal year, we have rejected applications for time by commercial firms to the net value of approximately \$250,000. Now, why has this been done? I know there are a number of critics of this policy of self-imposed restriction. The reasons would have been much more readily apparent if I had had the opportunity of dealing with programs before discussing the financial structure. The basic considerations are these. The reason for the existence of the CBC is to give a planned and balanced program service to the Canadian people. The main ingredient, of course, is entertainment, but there are also important cultural responsibilities. There is, furthermore, the responsibility to discover, encourage and nourish the artistic resources of Canada and the varied features of its characteristic civilization. Such a trust cannot be discharged on a basis primarily commercial. Mark you, I am not reflecting on the admitted value of the best commercial programs. I would indeed take this opportunity of paying a tribute to commercial sponsors, both of Canada and the United States, in their attempts to sell their commodities and services by radio, while simultaneously enriching and widening our range of entertainment. When I come to the more detailed discussion of programs, I hope to be able to show you how the development of talks series, discussions, round tables, forums, the encouragement of Canadian orchestras and artists generally, requires a progressive long-term policy, which cannot be made subservient to the caprice of commerce. For the moment I would

[Mr. W. E. Gladstone Murray.]

mention just one practical problem by way of illustration. This is not apart from the question; it is simply to bring you behind the scenes in order to give you a concrete illustration.

Sunday evening is generally regarded as perhaps the peak listening period, certainly during the winter months. Our national network arrangements are now fairly well balanced. Take next Sunday, March 19, for example. I would ask you to bear with me while I run through the main items on the national network from 5.30 on.

From 5.30 to 6 p.m., there is the sustaining feature in the series on London's Royal Palaces, which is a joint effort of the British Broadcasting Corporation and the Canadian Broadcasting Corporation. The subject of next Sunday's program is Buckingham Palace, and the producer is H. Rooney Pelletier, of the staff of the CBC, who is now a guest producer with the BBC in exchange for Lance Sieveking, Senior BBC producer on exchange in Canada for six months.

From 6 to 6.30 the Silver Theatre, a commercial program sponsored by "International Silver Company" with Conrad Nagel as master of ceremonies, is an outstanding example of high quality in that type of dramatic production.

From 6.30 to 7 is another CBC sustaining feature, "The World Today," a round table discussion of international affairs between representative speakers in various parts of Canada.

At 7 o'clock, is the Jack Benny Jello program, which according to a recent authoritative report in the New York Times, still holds first place in popularity among the half hour programs produced in the United States. This, of course, is commercial, being sponsored by General Foods Corporation.

Then from 7.30 to 8 comes a distinctively Canadian sustaining feature, a concert by the Melodic Strings, from Toronto, under the direction of Alexander Chuhaldin. I shall come back to this period a little later.

From 8 to 9 is the Chase and Sanborn program with Edgar Bergen and Charlie McCarthy, which is the most popular hour program of radio entertainment produced in the United States.

From 9 to 9.30, is the concert of the Hart House String Quartet from Toronto, another CBC sustaining contribution, as distinguished in its way as is the Melodic Strings. Then from 9.30 to 10 there comes from Montreal the Lyric Trio, and Allan McIver's orchestra, a sustaining feature of a light character and of wide popular appeal.

From 10 to 10.30, there is the National Forum in which are presented distinctive and contrasted points of view on various problems of interest to most Canadians. The subject Sunday March 19 will be—"Direct and Indirect Taxation—Should the Sales Tax be Repealed?" The speakers will be A. B. Farmer of the Sales Tax Repeal Association, and H. R. Kemp of the University of Toronto.

Then from 10.30 to 11, by way of light relief, with something of the tang of the sea, is the feature from Vancouver, entitled, "By the Sea," with an orchestra under the direction of Percy Harvey, with chorus and guest artists.

This leads up to the news. After the news, there is a half-hour entertainment, entitled, "Serenade for Strings" with an orchestra under the direction of Jean Deslauriers, with Marcelle Monette, contralto, from Montreal. Programs continue in the west until 1.30 or 2 a.m., E.S.T.

Sunday programs are specially built with a view to a reasonable observance of the character of the day, of the varying tastes of the listening public, and of the cardinal importance of avoiding over-commercialization. The application of this policy has caused much anguish to some commercial sponsors. There have been numerous and insistent applications for the half-hour period between

7.30 and 8, now occupied by Melodic Strings from Toronto. Similarly, the period from 9 to 9.30, occupied by Hart House String Quartet, has been eagerly coveted. It was suggested to me that we could charge double the ordinary rate for either of these half hours. The ordinary network rate is \$1,655 for half an hour.

By Hon. Mr. Lawson:

Q. If Mr. Murray would pardon me there; that particular program, the Ford symphony orchestra, is on a Columbia network?—A. Yes.

Q. It is not carried on a CBC network?—A. No. We have not yet been able to persuade the Ford company that they would make money by doing so.

By Mr. Hamilton:

Q. What hour is that?—A. That is from 9 to 10, I think; I am not sure.

By Hon. Mr. Lawson:

Q. Would you permit another question there? I am always puzzled a bit by it. Does the CBC grant to private stations a chain in order to establish a network for the purpose of carrying that Ford program; in other words, is that carried on a cross-Canada network?—A. No, I believe it is carried on the outlets of the Columbia Broadcasting System in Canada; that is, stations CFRB and CKAC.

Q. Just on those stations?—A. Yes.

We would not, however, be true to our trust, or doing our proper job as public service broadcasters if we sold more time on Sunday evenings. Incidentally the three commercial programs actually included represent the "high water mark" of entertainment achievement in United States broadcasting. I confess to some anxiety even about the present proportion of commercial to sustaining programs. There are some evenings of the week when the commercial motive is too intrusive when planning is almost paralyzed. On the other hand, certain commercial programs have been of great benefit in developing morning and afternoon listening audiences that might have been difficult to attract otherwise. But on the broad view, I would be happier if the proportion of commercials were a little smaller than it is. One thing, however, is certain, and that is, to permit a higher ratio of commercial programs on the network would be to abdicate some of our public service responsibilities. It may be that by progressive upward adjustment of rates, we shall be able to secure additional auxiliary income with a reduced proportion of commercial programs.

As to commercial revenue for the year 1939-40, it is evident from what I have said, this will be limited by our policy of maintaining a proper balance between commercial and sustaining programs. For the purpose of budget making, we are estimating net commercial revenue for 1939-40 at \$500,000 net. We are counting on \$2,750,000 net from licences, \$30,000 from sales of lines for non-basic networks and \$20,000 miscellaneous revenue. This gives a total of \$3,300,000 as against \$3,200,000 in the current year.

Q. Would you repeat that figure you have as commercial net?—A. \$500,000.

Q. Is that gross, or net?—A. Net, and the additional revenue of \$30,000 is from sales of lines for non-basic networks and \$20,000 of miscellaneous revenue.

By Mr. Martin:

Q. What is the commercial figure, gross?—A. You mean for the current year?

Q. Yes; you gave the figure \$500,000 net?—A. That is for next year. I cannot anticipate the breakdown of that for next year, but if you like I could give you the gross for the current year.

[Mr. W. E. Gladstone Murray.]

Hon. Mr. LAWSON: Perhaps you could pro-rate it on the same basis?

Mr. ISNOR: Why do you call it net; why not show your gross amount?

The WITNESS: The point is this, I am dealing now with the actual money with which we are building our programs. We would have to have \$500,000 a year available from the activities of the commercial department to build the programs that we need; therefore, from the point of view of practical operation it is the net that matters.

Mr. ISNOR: That is what you want, the net, yes; but I should think from the standpoint of good bookkeeping you would at least show the gross and the amount of expenditures against that.

The WITNESS: It was not part of my argument at the moment to deal with that, but if you like I will direct my attention to it now.

Mr. TURGEON: Why not get this information first and come back to that later on

The WITNESS: Mr. Brockington has shown that uncontrollable charges for the year 1939-40, on the basis of operating the existing network and CBA and CBK when completed, are roughly estimated at \$1,425,000. From an estimated revenue of \$3,300,000, after providing for the uncontrollable items, we would have left a balance of \$1,875,000. In other words, almost one-half of the contemplated revenue would be required for vital essential equipment and technical services which must be available before programs are produced and put on the air. It would be wholly, or largely, out of what we might call the "controllable balance" that economies would have to be effected if revenues were reduced by cutting the fee to \$2.

Now, it was suggested that I prepare an alternative budget based on a \$2 licence fee to be effective as from April 1st, 1939. This would involve a reduction amounting to about \$600,000. Before such an alternative budget could be established even tentatively, the board of governors would have to decide on the vital matters of fundamental policy involved.

Obviously, it is not within the competence of the general manager to indicate to the committee what services would have to be curtailed or abandoned in the event of the fee being reduced to \$2. All that I can do is to indicate some of the services which the board would have to consider disbanding in whole or in part. Any decisions of this kind would necessarily have to be taken by the board itself after the most serious consideration.

In consultation with the financial and technical officers of the corporation, I have prepared a list of functions, services and activities from which the board might make the economies which would necessarily follow the reduction in the fee. It may be best if I discuss these under two headings, the first relative to plans under discussion for new or enlarged services which would have to be abandoned completely; and the second, relating to existing services which might have to be curtailed in whole or in part.

It would be possible, of course, to postpone the operation of the new 50 KW transmitter in the maritimes which is scheduled to open on April the 8th, and the new 50 Kw transmitter for the prairies which, it is hoped, may be in operation, for testing purposes at any rate, during the royal visit. The saving effected by not operating CBA and CBK might be approximately \$100,000 a year, although the amount might be less than this figure. There are certain charges regarding which contracts have already been made and which are included in the figure given. These relate to power, broadcasting loops, vacuum tubes, maintenance of structure, etc. These may have to be met even with the plant closed down and might reduce the potential saving from this source to a figure of some \$70,000, the actual amount depending upon the outcome of arrangements made with the contracting parties.

The establishment of an adequate outlet near Windsor could not possibly be contemplated on the reduced revenues. Apart from the capital expenditures involved, some \$20,000 of estimated annual operating costs would be saved by abandoning this project.

Mr. MARTIN: Just while you are on that, I would like to interject that I do not know why all this is necessary. There has been no suggestion in this committee, certainly not by myself, that any of the essential services of the CBC should be curbed. I think I should raise this point because the impression has been going out, if one is to judge from the editorials appearing in the press, that we want to cut this service down. I do not think anyone wants to see the service of the CBC curtailed in any respect. I have voiced no such intention, nor have I heard such a desire expressed by other members of this committee to my knowledge. The trend of Mr. Murray's evidence at the moment is apparently based on the assumption that there is to be a curtailment of the service.

The CHAIRMAN: Mr. Factor requested this information at our last meeting; he asked that Mr. Gladstone Murray bring down an outline of a budget showing what it would be possible for them to do on a \$2 licence fee, and to what extent it would curtail the activities of the CBC, and so forth. Mr. Gladstone Murray is just giving now what the committee asked him for at our last meeting.

Mr. FACTOR: We asked for that information so that we might be informed ourselves, and so that the public generally might be informed, as to what would happen if a fifty cent reduction in the licence fee were to take place.

Hon. Mr. LAWSON: I think in fairness to Mr. Martin, he made it very clear that his proposal was to cut out the licence fee and have the whole of the cost of radio operation borne by the taxpayer.

Mr. MARTIN: That is right.

Hon. Mr. LAWSON: To have it paid out of the consolidated revenue fund; then, some other member of the committee asked that information be brought to the committee as to the result of reducing the licence fee by fifty cents; and I think that is the thing to which Mr. Gladstone Murray is directing our attention at the moment.

The CHAIRMAN: I think it is established beyond all question that neither Mr. Martin nor any of the members of this committee are in favour of curtailing the activities of the Canadian Broadcasting Corporation. Some of the members of the committee felt that possibly a reduction of the licence fee could be effected without materially interfering with the activities of the Canadian Broadcasting Corporation, and Mr. Gladstone Murray is at the moment trying to give us a picture as to what the position would be if such a reduction in fee were now made.

Mr. Ross: Under the present set-up the only place from which to get money is the licence fee, commercial programs, wire-line rentals, etc. Now we are asking what would be the result if there were a reduction in the licence fee. Naturally if the present source of revenue is to be in part removed there will have to be a curtailment of activities unless beforehand we set up some other means of getting the money.

Mr. FACTOR: And, might I add, that it would be in the interests of the Canadian Broadcasting corporation for the public to be acquainted with the possible impairment of the service, and as to what would happen if a reduction of the licence fee is brought about.

Mr. HAMILTON: I think that is the important thing.

The CHAIRMAN: Yes.

The WITNESS: As the chairman has already indicated, it is the intention to complete surveys in British Columbia to determine the most feasible means of improving coverage in the interior. Any idea of increasing the power of CBR

[Mr. W. E. Gladstone Murray.]

to 50 Kw. or of providing other additional or alternative facilities, could not be entertained in the contingency under discussion. Apart from the large capital outlays which a more adequate scheme for British Columbia coverage would involve, some \$20,000 in annual operating costs could be saved on this item alone.

It would also be necessary to forego our plans to increase the operating periods of CBJ at Chicoutimi, and CBV at Quebec, to 16 hours a day, to bring their operating periods up to the amounts enjoyed by other CBC stations. About CBJ Chicoutimi, I am particularly concerned. We would like to provide much better distribution in the kingdom of the Saguenay. Thereby the power should be increased to 1,000 watts but at the moment there is no frequency available. As an ameliorative measure we planned to increase the hours of operation from about eight to about sixteen hours a day. A similar extension is planned for CBV Quebec but of course both would have to be abandoned on a reduced income.

By Mr. Bouchard:

Q. By putting CHCD on your network would there be any additional expense—I refer to the station at Ste. Anne?—A. It would cost \$4,500 a year if we extended lines to that station.

While I do not wish to give the impression that all of the new and extended services, under consideration at the moment, may be carried out in full in 1939-40 if the fee remains at \$2.50, it will be impossible to proceed with any of the contemplated and urgently needed improvements in program service if revenues are thus curtailed.

As the chairman has mentioned, we are about to provide an immensely improved news service in co-operation with the Canadian Press. Our present service is admittedly not wholly satisfactory. Instead of a single bulletin for the national network at night, the Canadian Press will place at our disposal its whole news service and we will be able to issue any number of newscasts on a regional as well as national basis several times a day. By discarding this carefully considered arrangement with the Canadian Press, we can save \$20,000 a year. We have already postponed the introduction of this feature.

The experiment in schools broadcasting conducted in British Columbia has been most successful. It has been our hope that we might extend this service to the prairies and the maritimes in the coming year, the provincial governments concerned being anxious to co-operate. Deferring this important development would save some \$16,000.

Likewise, it would be necessary to cancel plans already underway to provide special farm and home programs for the rural listeners of Canada. This would make possible an economy of \$40,000.

Children's programs in Canada have been the subject of growing complaint. The CBC has in the past year been able to make a beginning on children's programs of a more acceptable nature and constructive character, and is hoping to extend this service in the new fiscal year with a "Young People's Hour." The amount involved in this connection would be some \$30,000.

The first step of course would be the suspension of all development work such as I have just reviewed. The total savings, in annual costs alone, by foregoing all the items which I have recited, would be only some \$250,000. This is still \$350,000 less than \$600,000.

Let us now consider various existing services which might be cut.

First of all, we could go back to where we were when we began in 1936 with only 6 hours a day broadcasting on our national network instead of the present 12 hour-16 hour day on the network. By going back to 6 hours a day and dismissing a corresponding proportion of staff, we could save some \$200,000; but this does not mean that we could save on the cost of the network

wire lines which is contracted for at a fixed annual rate. Then we could discontinue the special services provided to Yarmouth and Sault Ste. Marie, which would save \$25,000.

French language programs on our French network in Quebec could be curtailed achieving a saving of \$40,000.

By discontinuing our symphony orchestra broadcasts in Vancouver, Calgary, Regina, Winnipeg, Toronto and Montreal and Halifax, we could also save \$75,000.

I have suggested a large number of items which would have to be considered by the board in the event of the fee being reduced to \$2. I should like to mention another direction in which economies could be effected. It would be possible to replace artists, speakers, instrumentalists and musicians generally with imported programs available without cost, and with mechanical substitutes such as recordings and transcriptions. Although there are obvious impracticalities in this suggestion, by it we could eliminate up to \$500,000 at one stroke.

Another possibility of retrenchment would be to close studios in Halifax, Quebec city, Chicoutimi, Ottawa, Winnipeg and Vancouver, concentrating production in Montreal and Toronto.

And may I say that on my way over here I was advised by one of our officers whose concern is obviously not in the realm of public relations that he thought it would be much more efficient to do all our work from Montreal.

This would, of course, mean abandoning our present regional services and the use of local talent in these areas.

Again, without suggesting that all of the following plans and services can be achieved in the approaching fiscal year even on the basis of the \$2.50 fee, a saving of the magnitude of \$600,000 could only be attained by sacrificing many, if not most, of the items listed below:—

1. Do not operate CBA and CBK.
2. Do not proceed with outlet at Windsor.
3. Do not proceed with plans for improved coverage in British Columbia.
4. Abandon plans for enlarged news service.
5. Abandon plans for schools broadcasting.
6. Abandon plans for proposed farm and home programs.
7. Abandon existing and proposed extension of children's programs.
8. Discontinue special service to Yarmouth and Sault Ste. Marie.
9. Reduce network operations to six hours.
10. Discontinue Canadian symphony orchestra "live" broadcasts.
11. Curtailment of French language programs.
12. Reduction or elimination of use of artists' services.
13. Closing of studios other than in Toronto and Montreal.

Whatever selection might be determined, I have no hesitation in stating that any such retrenchment would not only jeopardize the future of the CBC but would frustrate the functioning of our national broadcasting system. The fact of the matter is that there is now a precarious margin of safety between what is really important to do and the means with which to do it.

For over two years the CBC has spared no effort to bring into being the physical plant necessary to provide a substantial measure of national coverage over its own transmitting facilities. We have built four modern high-power transmitters on the best up to date standards. If members of the committee will permit, I should like to suggest that the utmost consideration be given

to any course of action which would have the result of preventing the corporation from using this equipment in fullest measure for the purpose for which it has been provided, namely, the broadcasting of a program service worthy of the Canadian people.

Now, the next point to which I would like to direct your attention, Mr. Chairman, is the disposition of approximately \$600,000 received from the increase in licence fees during the current year, 1938-1939, the first year in which we had the benefit of that increase. I have a statement here which gives you that information in detail, and I will place it on the record.

RE THE \$600,000 RECEIVED FROM THE INCREASE IN LICENCE FEES

On comparing the expenditures of the present fiscal year, 1938-39, with the expenditures of the previous year, 1937-38, the larger increases in expenditures were roughly:

Artists' Fees	\$108,000
Interest and Principal on Loan	65,000
Light and Power	18,000
Materials and Supplies, Tubes	22,000
Maintenance	12,000
Capital Expenditures	115,000
Performing Rights, Royalties and Copyrights	17,000
Rental of Buildings or Floor Space	30,000
Rental of Halls and Studios Programs	5,000

Payroll:

Programs	\$110,000
Engineering	70,000
Administration	10,000
<hr/>	
	\$190,000
Transmission Lines	100,000
Promotion CBF	25,000
<hr/>	
	\$707,000

Now, in addition to the figures which have already been given to you, Mr. Chairman, in elaborating policy, I have some figures here now which may be of value in your deliberations. This statement gives the disposition of expenditures for the eleven month period ended February 28, 1939, under the several main headings of administration, programs, operation of stations, lines, depreciation, leases of time on private stations, and interest on government loan. I may say that this is a cash picture, not the operating account; it is the cash figure, accurate to February 28, 1939. I also give comparative percentages to total, of the various headings of expenditure for the fiscal years ended March, 1937, March, 1938, and the present eleven months period:—

Expenditures	CANADIAN BROADCASTING CORPORATION		Actual 11 months ending Feb. 28, 1939	Per cent to total
	1937	1938		
Administration	8.07	6.77	\$ 129,109 02	5.06
Programs	41.53	50.28	1,316,477 51	51.54
Operation of stations	13.38	13.24	385,386 21	15.09
Lines	27.82	22.07	520,693 85	20.39
Depreciation		4.94	172,200 23	6.74
Leases of time on private stations	9.20	2.70	15,643 26	0.61
Interest on government loan			14,599 31	0.57

With respect to the item "Leases of Time on Private Stations" the disparity shown in the last item (the amount for February, 1939) and other items associated with that heading is due to the fact that the policy of subsidizing privately owned stations for the carrying of CBC sustaining programs was discontinued.

Now, I said that I wanted to take you a very little behind the scenes, to give you an indication for example of the operation of a 50 Kw transmitter, and to make these things perhaps more real when you survey the problems of expenditure, and the peculiar problems of the broadcasting business. To that end I would like to give you a statement dealing with the operation of a 50 Kw CBC transmitter.

Included in the engineering estimates is the cost of operating the four CBC 50 Kw. transmitters. Two of these, CBL and CBF, are now operating, and two additional transmitters, CBA and CBK are scheduled to commence operations shortly.

A typical 50 Kw. CBC transmitter installation occupies a minimum area of 50 acres. The plant is housed in a fireproof building and the transmitter is connected by means of a transmission line which extends some 500 feet from the building to an insulated steel vertical radiator. This vertical radiator or transmitter aerial is surrounded by an elaborate ground system made up of buried copper wire extending out some five hundred feet in all directions about the tower in the form of a huge cartwheel.

The combined capital investment in these four high-powered stations is approximately \$1,120,000 and the average cost of operations is about \$18 per hour, each, or for sixteen hours per day \$288 each.

Hon. Mr. LAWSON: What is it that costs \$18 an hour?

The WITNESS: The average cost of operation is \$18 per hour for each transmitter.

Hon. Mr. LAWSON: What was next?

The WITNESS: Sixteen hours per day. It is just a multiplication.

The four high-powered transmitters will cost about \$72 per hour or \$1,152 per day, including interest and repayment of principal. These figures do not include program or administration expenses.

A breakdown of the maintenance cost for one of these transmitters will include annual repayment cost of vacuum tubes; lease of studio to transmitter wire connections; annual power charges; salaries; miscellaneous maintenance items.

A full complement of vacuum tubes for each transmitter will number about 80 and four of these are each about five feet in height and are rated at 100,000 watts. These are the most powerful vacuum tubes in regular commercial use to-day and cost approximately \$3,000 apiece.

The annual cost of power for each transmitter will vary depending upon location from \$1,200 to \$28,000. The power is contracted for on a 10-year basis and at each station a special transmission line and sub-station has been constructed by the local power company at a cost of several thousands of dollars.

At Watrous the Saskatchewan Power Commission are building an entirely new power plant in order to insure adequate supply to meet the rigid requirement of high-powered broadcasting. The annual power consumption at Watrous might represent the annual domestic requirements of a fair-sized Canadian town of about 10,000 inhabitants.

On account of the relatively strong local signals from these powerful transmitters it is necessary to locate them thirty miles or more from large centres of population. This means a rental charge under a long-term contract for wire connection between studio and transmitter amounting to \$8,000-\$10,000, per annum.

[Mr. W. E. Gladstone Murray.]

An operating personnel of nine men including several graduate engineers are employed at each CBC 50 Kw. station. These employees work on eight-hour shifts during a twenty-hour broadcast day, sixteen hours actually broadcasting and four hours on maintenance daily.

This operating picture is typical of the set-up at the CBC lower powered transmitter stations at Vancouver, Ottawa, Montreal, Quebec, Chicoutimi and of the corporation's studios at Halifax, Quebec, Montreal, Ottawa, Toronto, Winnipeg and Vancouver. So much for the engineering side of it.

In order that you may have an idea as to what goes on behind the scenes, also on the program side, I have prepared for your information a few notes on the work involved in the preparation of one thirty-minute CBC program.

The one I am using as an example is called "Music by Percy Faith"—a program that might be classified as light entertainment. It has a very large following, probably the largest following of the popular programs actually built in Canada and performed by Canadian artists.

Mr. SLAGHT: What was the title—Music by?

The WITNESS: Percy Faith, of Toronto. It is music in the modern manner.

Mr. MARTIN: Swing?

The WITNESS: No; it is a refinement of swing.

Mr. FACTOR: It is a good program.

The WITNESS: Percy Faith is a young Canadian conductor who directs this program once each week over the CBC national network and also on a coast-to-coast network of the Mutual Broadcasting System. I might say that we have had some difficulty in settling which American network is to carry this program, it is so popular on the other side of the line.

Mr. FACTOR: You might add that Percy Faith could get a much better income.

The WITNESS: That was an embarrassing suggestion to which I did not wish to give undue advertisement.

Mr. Faith directs an orchestra of thirty musicians a number of whom are also members of the Toronto Symphony Orchestra. He also has two soloists—a tenor and a mezzo-soprano—as well as an octette of mixed voices. Some of the members of his orchestra are soloists in their own right, and Mr. Faith is not only a successful conductor, but is an arranger of exceptional ability.

This program is designed to entertain those whose preference is for music of the so-called "modern" or "popular" type and includes the latest hit tunes from Broadway as well as the semi-classics set to the tempo of "swing" music.

Such a program requires more rehearsal time than we are able to allow for it, because of our financial limitations. However, I shall use it as an example if only to indicate to you just what is involved not only in time but in dollars and cents.

Four and a half hours rehearsal is an absolute minimum for the orchestra with the soloists and the vocal ensemble. Prior to such a rehearsal, the vocalists spend many hours rehearsing with a pianist, who teaches them their various parts and welds the ensemble into a unit. For this, each vocalist of the octette is paid \$15 or a total of \$120. The two vocal soloists are paid \$20 each, or a total of \$40. The fees paid to the members of the orchestra are determined on the normal professional basis. The rate for each musician is \$6 per man per half hour of program playing time, which includes thirty minutes of free rehearsal time. But there is still four hours of rehearsal time to be paid for at the rate of \$3 for musicians for the first hour and \$2 for musicians for the three subsequent hours, provided these are contiguous. Therefore each musician

receives \$6 for the program-playing time and \$9 for the rehearsal, or a total of \$15 per man. There are thirty men in the orchestra so that the total cost of the musicians, provided they do not play any solos, is \$15 times 30, or \$450.

Mr. MACKENZIE: Are those the CBC rates or the minimum rates for Ontario?

The WITNESS: There are rates which are agreed in negotiating with the musicians. We determine the rate.

The total cost of this one half hour of radio entertainment is slightly in excess of \$700. Obviously, we are unable to spend anything nearly approaching this amount for dozens of other programs.

Quite apart from the artists participating in the program, for this thirty minutes of entertainment, a staff of five CBC employees is required,—a producer, an announcer, a balance and control operator, a studio technician and a transmitter technician. The time of four of these is necessary for the four and a half hours of rehearsal as well as the half hour of broadcasting.

Actually, if all items of cost for this one program were lumped, it would be safe to say that the approximate cost is \$1,000. That is one glance behind the program scene.

There is a great deal of talk about announcers, and I should like you to follow me in a brief discussion of the problem of announcers.

Applications from would-be announcers are considered *prima facie* as to education and general background. Then there is a preliminary administrative interview and then the test.

The actual audition test for CBC announcers consists of reading:—

1. A list of English words designed to test a candidate's knowledge of pronunciation.
2. A list of more or less well-known foreign words (musical terms, names of operas, etc.) designed to test his knowledge in this respect.
3. A commercial announcement.
4. A talk or news commentary.
5. An ordinary program announcement.

Candidates are given fifteen minutes to look this test over before going to the microphone. During the test notes are made on the candidate's voice, manner, diction, radio personality, education and intelligence, so far as they can be ascertained in this way.

In two years our coach to announcers has personally heard nearly all auditions, amounting to about 1,500. The new policy, which will tend to obviate delay in many cases is to hold auditions regularly and regionally. Regional officers can weed out a good many of the obviously unsuitable, and those showing real promise can either be recorded or reserved for a future hearing.

Of approximately the 1,500 announcers so far auditioned, only fifteen have been selected. That is one in every hundred.

Because of our limited budget we cannot afford to select specialists in the field of announcing. There are certain announcers who are ideal for broadcasting news but are not suitable for interviews or actuality broadcasting. It is a matter of experience that the really successful commercial announcer, by virtue of the fact of his success as a commercial announcer, is almost inevitably incapacitated for equally good announcing on sustaining programs.

Another necessity is a school for the training of new and existing announcers. At present, when an announcer is selected, he is immediately put to work broadcasting, but he would be much better off if he could attend a special school and take a month's course during which he would learn how to improve his diction and how to fit himself for his own particular field. Also, present

announcers could attend this school in order to brush up and take refresher courses. Such a school will have to await the availability of more funds.

The problem of announcers is perhaps indicated in the brief description I have given of the attempt to secure a corps of announcers and of the fact that only one out of every hundred applicants is found suitable.

Perhaps you would be interested in hearing some of the words that are given to candidates to pronounce. For instance: archaic, peremptory, dishevel, metallurgy, and so on.

Mr. MARTIN: You pronounced the second word incorrectly.

The WITNESS: Peremptory?

Mr. MARTIN: You will not do as an announcer.

The WITNESS: All right, I am off. The financial side of the difficulties of this problem may perhaps be better assessed if I explain the program policy. The kind of announcer we endeavour to get is the distinctive Canadian type who has on one hand the vigour, the warmth, the humanity and something of the intimacy of the best United States announcer; yet not the high pressure or the breathlessness or the atmosphere of impending tragedy or sense of strain displayed by some of our enthusiastic American colleagues of the air. We try to get announcers who have these modified qualifications, together with something of the calm, of the clarity and detachment of the good British announcer, without perhaps his impersonality or his Olympian air or perhaps his slightly superior tone. A combination of all these qualities is not easy to find. Perhaps we have embodied these qualifications ideally, so far as it is possible to do, in the voice of Charles Jennings.

While we are talking on the English side of the picture we are not neglecting the French side.

Mr. MARTIN: Mr. Jennings announces the Toronto Symphony, does he not?

The WITNESS: Yes.

Mr. MARTIN: He is excellent.

The WITNESS: He will be the announcer on the Empire program in which the King will participate from Winnipeg on May 24.

On the French side a similar endeavour is made to get the best French-Canadian speech, not the speech of France and not the speech which is ordinarily described as the French-Canadian speech. For instance, the British Broadcasting Corporation asked Mr. Rooney Pelletier to broadcast in French a running commentary on the Lord Mayor's show in England last November. It created considerable interest and also some controversy in France, and they said: "This is neither provincial nor vulgar; this is classical French." So that perhaps we are moving in the right direction because it was our endeavour to demonstrate that the cultivated speech of French Canada is better than the contemporary speech of France.

The CHAIRMAN: Which is true.

By Mr. Bouchard:

Q. On that point, might I say that if it will help to kill this large amount of Quebec patois, it will help a great deal.—A. Patois?

Q. Yes; patois that is spread all over America.—A. Which is unworthy.

Q. Which is entirely wrong.—A. Which is unworthy.

Q. Right here, I may state that, taking the average French as spoken in France in the countryside, it is much inferior to the French spoken in Canada in the countryside. I am not referring to the members of the Academy.

Mr. MARTIN: The Academie de France.

Mr. BOUCHARD: Yes. I am speaking of the countryside. That is my experience.

The WITNESS: In fairness, may I say, as I have already mentioned, that we have one ideal announcer in English; we think we have three ideal announcers in French in F. Leclerc, Desbaillets and Gerard Arthur of Montreal, with the mild qualification that Jacques Desbaillets, excellent though he is, suffers a little from a slight European trace.

By Mr. Bouchard:

Q. He is Swiss?—A. No, Belgian origin, I believe. Now, Mr. Chairman, if it meets with your pleasure, I should like for a moment to revert, in a little more detail, to a point which Mr. Brockington mentioned, namely, the system of financial control, the relation of the budget to the various methods of control, within and without the executive staff, and to try to make clear the actual checks and chains of responsibility.

The pattern of financial policy in terms of estimated revenue and estimated expenditures is determined by the finance committee of the board of governors.

Expenditures as authorized by the finance committee and approved by the board in whatever degree of detail required by the finance committee, are translated into executive budget form.

Responsibility for the observance of the executive budget is specifically allocated for all items.

Expenditure as allocated to each specific item cannot be exceeded without the specific authority of the general manager.

Expenditure as approved by the finance committee cannot be exceeded without the express authority of the finance committee.

There is a continuous audit by a resident representative of the auditor-general, who also visits production centers without notice.

The treasurer exercises functional control—

By Mr. Bouchard:

Q. What do you mean by the auditor-general? Do you mean the Auditor-General of Canada?—A. The Auditor-General of Canada. Continuing:—

The treasurer exercises functional control through his own representatives at production centers.

Any proposal to increase staff must be recommended and supported first by the departmental chief, than by the division chief, then certificated by the treasurer as being within funds available, then examined and decided upon by the general manager in consultation with the assistant general manager.

Salary increases must be within the limits of the amount set aside for the purpose by the finance committee. Salary revision is annual, exceptional cases being subject to the closest scrutiny. All salary increases, as are increases of staff, dismissals and transfers, must have the personal authorization of the general manager.

The exact financial situation is communicated weekly to the principal executives.

The principal representative of the auditor-general has regular meetings with the general manager and the assistant general manager.

The treasurer keeps the general manager and assistant general manager constantly informed of the state of the various budget items.

Monthly statements of revenue and expenditure are circulated to the members of the finance committee and to the Minister of Transport.

It has been suggested that there is perhaps a tendency in this business—as in other businesses which are halfway between the status of a private concern and the status of a government department—for laxity to develop, and that the attitude toward such problems as revision of salaries, additions to staff, and so on, may not be as strict as it should be. In this connection, I think the best way I can explain the attitude of the management—which I think has the

approval of the board, although there was no direct intervention in this matter—would be for me to read to you a memorandum which, in the course of my duties as chief executive, I have had to send in connection with the consideration of staff problems for the coming year. It is not a new policy. It is simply typical of the attitude which has been followed from the beginning. This memorandum has gone to all the managers, heads of departments and other senior executives, and is as follows:—

The annual confidential report and recommendations for salary revisions have been carefully reviewed and analysed. It is noted that there are no recommendations for reduction of salaries.

Further information of a more discriminating nature is necessary before the salary structure can be recast.

In preparing this supplementary report the following considerations should be kept in mind:—

- (a) That expenditure on the pay-roll is nearing saturation point in relation to present and prospective revenue. This means that the increases available for members of any department must cost less than 5 per cent of the pay-roll at present.
- (b) That there is no system of automatic salary increases in the CBC. An increment of approximately 5 per cent is awarded only for exceptional efficiency.
- (c) That, with the rapidly increasing standard of the service, the rate of staff replacement should increase. That staff considered good enough a year ago may not be good enough to-day. Protection of staff is admirable but only within the limits of the interests of the service. During the next year, there must be a marked increase in replacement unless there is complete justification for the other policy. Replacement can be effected either through the report and recommendation of the department chief or by direct intervention of higher authority. The former method is obviously to be preferred.
- (d) In this re-examination of staff, it should be borne in mind that improved organization often dispenses with staff. Two efficient people properly organized are better than five indifferent people in a state of disorganization.
- (e) We are going forward to develop the work. New tasks are being contemplated—news, schools, publicity, farm hour, and other enterprises. Specialists in each cannot be afforded. We must combine functions and we must find the people that can work in this way.
- (f) The only basis of security of tenure in this business is growing efficiency; merely static efficiency is not enough. There is no other security.
- (g) While the process of rectifying inequalities of reward will continue, there is no prospect of any general improvement in the scale of pay. Therefore, those who are dissatisfied should retire forthwith. I hope there will be a pensions scheme ultimately, but the adventure of broadcasting can hardly be carried by those who think constantly of pensions.

In conclusion, if you answer this memorandum in the way I expect, you will give a clear picture of your real view of the merits of your staff in relation to the necessity of progress.

I instance that to show the attitude which is taken on that important matter of repelling the natural desire to departmental chiefs, in a new business like his, to extend indefinitely their personnel. We have to look on the incidence

of the budget. We are now in the position where, for example, if I take on a man in the maritime provinces to supplement the organization of the new region which is being formed there, he must be able to perform three or four functions.

May I now return to the question which was asked me about gross commercial revenue?

The CHAIRMAN: Gentlemen, do you think Mr. Murray should start on that now? It is five minutes to one.

Mr. ISNOR: Perhaps I could put the question in another way. I was the one who raised that question.

By Mr. Isnor:

Q. I should like to know, and have it put on record at the next meeting, the number of licences—we already had that—and the revenue from those licences, if there is a record kept as to the licences issued for sets in automobiles?—A. Yes.

Q. If so, I should like to have that record.—A. Yes.

Q. I would ask that the record of those two items be divided into provinces, if that is available. With respect to commercial revenue, about which I made a note—

The CHAIRMAN: Did you include in your request, Mr. Isnor, the licences collected from the duplicate sets or numerous sets?

Mr. ISNOR: Yes.

The CHAIRMAN: Did you include multiple licences?

Mr. ISNOR: Yes.

Mr. HAMILTON: The chairman was indicating to Mr. Murray questions that may be asked him. I am anxious to get some kind of an estimate, if there is such a thing and if there is anyone competent to give it, as to the number of radios that are operating without licences. I do not know who could best give us that information, but I think it will be very important. I think it is one of the most important things there is to consider in connection with financing generally.

The WITNESS: Here are some figures which might cast partial light on that, which are available. Would you like me to give them?

Mr. HAMILTON: I do not wish to interrupt you now.

The CHAIRMAN: If he has them here, we might as well have them on the record.

The WITNESS: Very well, I shall read them. They are as follows:—

LICENCE FIGURES

	1937-38	1938-39
Total number of households with radio receiving licences.....	1,104,000	1,185,000

By the Chairman:

Q. That is an increase of 81,000?—A. Yes. It is estimated that there are 2,415,000 households in Canada, according to the Dominion Bureau of Statistics. In 1938-39, 49 per cent of these households were licenced for radio reception apparatus.

In the United States, the Department of Commerce estimated that 77 per cent of the households are equipped with apparatus of radio reception.

If the same percentage of households in Canada as in the United States were equipped with apparatus of radio reception, the total would be 1,848,000. This means that in the year 1938-39, if the same proportion of households were

[Mr. W. E. Gladstone Murray.]

equipped in Canada as in the United States and all were licensed, there would be an additional 663,000 licensed households in Canada. It should be noted, however, that the number of households in Canada on relief, which are not subject to licence fee, is estimated this year to be 150,000 (last year it was 180,000).

By Mr. Martin:

Q. 400,000 potential licences?—A. Well, it is 513,000 households, according to this. I do not know whether that is a valid comparison, but the figures are interesting.

Subtracting the 150,000 from the 663,000 leaves an available field of development of 513,000 households.

By the Chairman:

Q. The only comparison you can make is with the number of households in the United States?—A. Yes.

By Mr. Ross:

Q. Has there been any estimate made as to whether there would be more or less in the way of licence fees collected provided the licence fee were \$2.50 on a master set, and a lower fee on the second and additional sets?—A. As a matter of fact, I should not be giving these figures. Mr. Rush is here and he is attending all the meetings of this committee. He is the official responsible and in charge, and he is the admitted expert on all these subjects.

Q. Here is what I am trying to get at. I may be entirely wrong, but my thought is that if you had a lower fee on your second your third or fourth sets,—whatever the household owned,—you would possibly collect more money than you do to-day, because you do not get the licence fees from the second sets at \$2.50.—A. We only got \$18,000 this year from multiple sets.

By Hon. Mr. Lawson:

Q. You obtained only \$18,000 from more than one set?—A. Yes.

By Mr. Slaght:

Q. May I indicate to you, Mr. Murray, that I should like to hear you discuss not now but at a later meeting, the problem of the revenue that you secure from the sale of the air to both advertisers and sponsors and that sort of thing. Can you give us a breakdown of the figures for the last fiscal year, and a comparison with the two previous years, so that we could have a comparison over three years of the revenue from advertising. Perhaps you could consider for us whether there is a possibility of increasing the revenue very substantially from that source. I should like to have you take that up.—A. Yes. We could have increased it. We rejected a quarter of a million dollars worth of business this year. It is estimated that, if we had gone all out to sell this year and had no limitations of policy in this, we could have sold \$1,250,000 net advertising revenue.

Q. \$1,250,000 net, as against what you did sell, which was what?—A. \$481,000.

Q. There is a limit, is there?—A. No, not beyond what I tried to explain; that is, having regard to program balance and the discharge of our public service responsibility, we should not take more than a limited proportion—as a matter of fact, we are taking too much now. We are selling about 30 per cent of our time on the national network in an average winter week.

Q. We will have that at the next sitting. It is about one o'clock now.

By Mr. Ross:

Q. Could you give a possible estimate on what I was speaking about, as to what your officers think might be done with a lowered fee of, say, a dollar for the second licence?—A. All right.

Mr. HAMILTON: Just for Mr. Murray's information; I may say that I think there will be a lot of questions along that line; that is, as to the collection of fees.

The CHAIRMAN: I might say, Mr. Hamilton, that several members of the committee intimated to me that they were very anxious to try to make some recommendation for the establishment of a better system of collecting licence fees, more particularly with a view to eliminating the annoyance and petty grievances which are apparent in the system in operation today. They also intimated to me that they would like to have Mr. Rush, who is the man really responsible for the collecting of the licence fees, come before us and give us the benefit of his experience.

Hon. Mr. LAWSON: This Mr. Rush I presume is connected with the department?

The CHAIRMAN: Yes, with the Department of Transport.

Mr. HAMILTON: Might I suggest a question, not for answer now, as it might require a little preparation on the part of Mr. Gladstone Murray: Why could not the CBC—apart from government statutory provisions otherwise now—why could not the CBC make its own collections?

The CHAIRMAN: I do not think they could, unless we amend the Act.

Mr. HAMILTON: I assume it is a matter involving a change of policy. I am not asking for an answer to that at the moment, but I would like to have his views on that while this matter is being discussed in the committee.

The CHAIRMAN: Mr. Gladstone Murray has made a note of these questions and I think he will be able to answer them.

Mr. HAMILTON: I would like to know what the effect would be if the CBC set-up were changed so that they would have the right in their own organization to do the collecting.

The CHAIRMAN: I think every member of the committee is anxious that we should not keep the officials of the CBC any longer than we have to, because this is the beginning of their fiscal year and they have a lot of work to do. Shall we sit tomorrow?

Some hon. MEMBERS: Yes.

The CHAIRMAN: Then, we will adjourn until tomorrow morning at 11 o'clock.

The committee adjourned at 1.10 o'clock p.m. to meet again tomorrow, March 17, 1939, at 11 o'clock a.m.

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SESSION 1939

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 8

FRIDAY, MARCH 17, 1939



WITNESS:

Mr. W. E. Gladstone Murray, General Manager, Canadian Broadcasting Corporation

OTTAWA
J. O. PATENAUME, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

MINUTES OF PROCEEDINGS

FRIDAY, March 17, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bouchard, Dupuis, Factor, Hamilton, Héon, Hurtubise, Isnor, MacKenzie (*Neepawa*), Martin, Patterson, Ross (*Moose Jaw*), Slaght, Stevens, Thompson, Turgeon, Woodsworth.—17.

In attendance:

- Mr. Alan B. Plaunt, of the Board of Governors, Canadian Broadcasting Corporation;
- Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;
- Dr. Augustin Frigon, Assistant General Manager, Canadian Broadcasting Corporation;
- Mr. H. N. Stovin, Supervisor of Station Relations, Canadian Broadcasting Corporation;
- Mr. W. O. Findlay, Assistant to Chief Executive Assistant, Canadian Broadcasting Corporation;
- Mr. T. T. Odell, Executive Office, Canadian Broadcasting Corporation;
- Mr. H. W. Morrison, Program Department, Canadian Broadcasting Corporation; and
- Mr. R. E. Keddy, Secretary to General Manager, Canadian Broadcasting Corporation.

Mr. Gosselin, M.P. for Brome-Missisquoi, asked leave to file with the Committee a number of ballots and letters protesting against the prohibiting of advertising of beer and wine over the radio in the Province of Quebec.

Leave was granted and the protests filed with the clerk of the Committee.

Mr. Gladstone Murray recalled.

Mr. Murray first answered questions previously asked by Mr. Lawson, Mr. Isnor and Mr. Slaght, then resumed his presentation of the work of the Canadian Broadcasting Corporation.

The Chairman then read to the Committee a letter from Mr. Leonard W. Brockington, K.C., Chairman of the Board of Governors, which contained a list of the societies and organizations in the Province of Quebec in favour of discontinuing the advertising of beer and wine over the radio in that Province.

The Committee then adjourned to meet again on Tuesday, March 21, 1939, at 11 o'clock, a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

OTTAWA, March 17, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, Mr. Gosselin, member for Brome-Missisquoi, is anxious to make a short statement, although he is not a member of the committee. Is it the wish of the committee that the honourable member should have this opportunity?

Hon. Mr. STEVENS: Any member of the house is entitled to that courtesy as a matter of practice, not as a witness, but as a member of parliament making a statement.

Mr. GOSSELIN (*Brome-Missisquoi*): Thank you, Mr. Stevens, and thank you, Mr. Chairman.

Mr. Chairman and colleagues in the House of Commons, I have received a tremendous number of protests from electors in Brome-Missisquoi which have charged me with a duty I should now like to discharge by placing these documents before your committee, of which I am not a member.

There is a resolution from the town of Farnham, a resolution from the Chamber of Commerce, Farnham, and there is one from the Farnham Citizen's Band. There are over one hundred protests from individuals, protests against the cancellation of the so-called beer and wine programs.

I should, therefore, like to be given the privilege, on behalf of my constituents in Brome-Missisquoi, of filing all these documents with the committee.

I do not wish to add any personal remarks except that I should like either the committee or the Canadian Broadcasting Corporation to acknowledge the receipt of all these communications. I may say that when a member of parliament receives from fifty to seventy-five communications in the course of a day, he cannot answer at once about a hundred and fifty documents in addition to attending to his other duties. I understand that this committee is a most wealthy committee, or at least the Canadian Broadcasting Corporation, so perhaps they could at least acknowledge receipt of these documents.

The CHAIRMAN: I can assure Mr. Gosselin that the committee is studying the question of the advertising of beer, and so forth. I should like to advise him, however, that I will instruct the clerk of the committee to return these ballots to him so that he may increase his mailing list. I think it would do him a lot of good.

Mr. ISNOR: Mr. Chairman, would you read one of the ballots? Are they sponsored by any particular party or parties?

The CHAIRMAN: I will read one of them to you:—

À MON DÉPUTÉ AU FÉDÉRAL À OTTAWA

CHER MONSIEUR,—Je proteste contre la réglementation que projette la Société Radio-Canada interdisant les programmes radiophoniques commandites par les brasseries et les fabriques de vin.

A translation would read: This ballot is sent to the federal member protesting against the regulation prohibiting the advertising of beer and wine by the breweries.

Mr. GOSSELIN: They are protesting against the cancellation of programs sponsored by the beer and wine establishments.

Mr. MACKENZIE (*Neepawa*): Are the protests against the programs or against the cancellation of the programs?

Mr. GOSSELIN: Against the cancellation.

Mr. MACKENZIE: They want the programs continued?

Mr. GOSSELIN: I understand that they have no objection to programs being sponsored by the breweries or wine manufacturers, except perhaps that the announcer should not say, "Drink this good wine; drink this good beer, made by so and so." But they may say: "This program is sponsored by so and so."

Mr. WOODSWORTH: Mr. Chairman, it seems to me we are creating a rather broad precedent here. I can understand individual members receiving protests and petitions and, in some cases, presenting them to parliament, but I cannot recall sitting in a committee where the committee has received petitions. If that has been done, I do not recall it.

Hon. Mr. STEVENS: Oh, yes.

Mr. WOODSWORTH: Whatever may have been done, I think it is dangerous. All of us get petitions of this kind—I have had some even on this and other matters—and we could hardly present them and then try as a committee to balance them.

Mr. GOSSELIN: You are a member of this committee and can deal wth the matter; I can only file the documents.

Hon. Mr. STEVENS: I think the member has been very brief, and I think we should accept and file these documents until we can deal with them.

The CHAIRMAN: And give the clerk instructions to return them to Mr. Gosselin.

Mr. GOSSELIN: No.

Hon. Mr. STEVENS: File them as exhibits.

Mr. DUPUIS: Every member around Montreal and in the province of Quebec in general has received hundreds of them each day. As far as I am concerned, yesterday I received 816.

Mr. ISNOR: I should like to know whether there is any name attached to the ballots.

The CHAIRMAN: Yes.

Mr. ISNOR: Who is paying for these ballots?

Mr. HÉON: The ballots were printed in the newspapers.

Mr. GOSSELIN: And they cut them out and send them in.

Mr. HÉON: I do not want to add to the statement made by the member for Brome, but I wish to say that I have received my share of ballots. Now I know what the Leadership League has meant to some of our Ontario friends. As far as I am concerned, and I have listened very carefully to some of these programs lately, I wish to state that personally some of these programs are of high entertainment value, especially the newscast by Mr. Duquesne at 6.45 and the newscast of Mr. Christopher Ellis, which I think should be allowed in some form. I do not know whether suggestions could be made to the commission, but I think the modus operandi could be reached whereby a minimum of advertising might be allowed and the programs continued for a time. I am also thinking of the artists who might be thrown out of work.

The CHAIRMAN: Mr. Héon, that question was dealt with very extensively yesterday.

Mr. Héon: I am sorry; I was not here.

The CHAIRMAN: I know; you have been ill. I appreciate that fact. We missed you and extend to you a very hearty welcome.

Hon. Mr. STEVENS: What is the order of business, to-day, Mr. Chairman?

The CHAIRMAN: Mr. Murray was on the stand and I think he wishes to continue.

Major W. E. GLADSTONE MURRAY, Manager, Canadian Broadcasting Corporation, recalled.

Hon. Mr. STEVENS: Mr. Chairman, I was absent from the last meeting because of a sitting of the Banking and Commerce committee. I do not wish, shall I say, to cut across the procedure, and may I ask if there is anything of a particular nature before the committee, or would it be proper for me to ask some questions of Mr. Murray?

The CHAIRMAN: Yesterday Mr. Murray gave a breakdown of what the reduction of the licence fee from \$2.50 to \$2 would mean. He gave it to us in a very extensive way. He also dealt with the revenues received this year by the corporation and also the expenditures. Mr. Murray intended this morning giving to the committee the program activities of the Canadian Broadcasting Corporation. However, if any member wishes to ask Mr. Murray questions before he deals with program activities I think he might be prepared to answer them.

The WITNESS: Would you like me to answer the questions that have accumulated, notice of which was given before, starting with Mr. Lawson?

The CHAIRMAN: Yesterday, Mr. Stevens, many members of the committee asked Mr. Murray questions which he was not able to answer at that time. I think that as he has prepared those answers we should hear them now.

Hon. Mr. STEVENS: Quite so. I have been waiting rather patiently to question Mr. Brockington or Mr. Murray on a certain line; I do not want to interfere with the current of event, but as long as I have an opportunity sometime a little later it is all right with me.

The CHAIRMAN: Mr. Murray might answer the questions that were asked of him yesterday and then continue to give us a résumé.

The WITNESS: Should I begin with the questions that were asked before yesterday?

The CHAIRMAN: All the questions.

The WITNESS: The first question, I think, is from Mr. Lawson. Following will appear his questions and the answers thereto:—

Q. How many stations are now owned and operated by the CBC?—

A. Six—CBR, Vancouver; CBL, Hornby; CBF, Vercheres; CBY, Toronto; CBO, Ottawa; CBV, Quebec.

Q. How many additional stations are in the course of construction with the approximate dates when they will come into operation?—

A. Two—CBA, Sackville, N.B. (to commence operating April 8th); CBK, Watrous, Sask. (to commence operating approximately June 1st).

Q. How many stations are leased by the CBC and operated by the CBC?—A. Two, CBM, Montreal; CBJ, Chicoutimi.

Q. How many private stations are there in Canada?—A. Eighty-six, 78 stations in the broadcast band; 8 shortwave stations.

Q. Of the total number of private stations at present existing, how many have arrangements with the CBC whereby they are part of the CBC basic chain?—A. Twenty-seven—

Station	City	Licenses	Frequency Kc.	Power Watts
CHNS	Halifax	The Maritime Broadcasting Co. Ltd.	930	1000
CJCB	Sydney	Eastern Broadcasters Ltd.	1240	1000
CFCY	Charlottetown	The Island Radio Broadcasting Co. Ltd.	630	1000
CKCW	Moncton	Moncton Broadcasting Co. Ltd.	1370	100
CFNB	Fredericton	Jas. S. Neill & Sons, Ltd.	550	1000
CHSJ	Saint John	New Brunswick Broadcasting Co. Ltd.	1120	100
CHNC	New Carlisle	Gaspesian Radio Broadcasting Co. Ltd.	610	1000
CJBR	Rimouski	J. A. Brillant.	1030	1000
CBJ	Chicoutimi	Canadian Broadcasting Corporation.	1120	100
CBV	Quebec	" " "	950	1000
CBM	Montreal	" " "	960	1000
CBF	Montreal	" " "	910	50000
CBO	Ottawa	" " "	880	1000
CFRC	Kingston	Queen's University.	1510	100
CBL	Toronto	Canadian Broadcasting Corporation.	840	50000
CKLW	Windsor	Western Ontario Broadcasting Co. Ltd.	1030	5000
CFCH	North Bay	R. H. Thomson.	930	100
CJKL	Kirkland Lake	Northern Broadcasting Co. Ltd.	1310	100
CKGB	Timmins	R. H. Thomson.	1420	100
CKSO	Sudbury	W. E. Mason.	780	1000
CKPR	Fort William	Dougall Motor Car Co. Ltd.	730	1000
CKY	Winnipeg	Manitoba Telephone System.	910	15000
CKX	Brandon	" " "	1120	1000
CKCK	Regina	Leader-Post Ltd.	1010	1000
CHAB	Moose Jaw	CHAB, Ltd.	1200	250 D 100 N
CFQC	Saskatoon	A. A. Murphy & Sons Ltd.	600	1000
CKBI	Prince Albert	Prince Albert Radio Club.	1210	100
CFAC	Calgary	South-Western Publishers Ltd.	930	1000
CJCA	Edmonton	North Western Publishers Ltd.	730	1000
CJOC	Lethbridge	H. R. Carson Ltd.	950	100
CJAT	Trail	Kootenay Broadcasting Co. Ltd.	910	1000
CKOV	Kelowna	Okanagan Broadcasting Ltd.	630	1000
CFJC	Kamloops	Kamloops Sentinel Ltd.	880	1000
CBR	Vancouver	Canadian Broadcasting Corporation.	1100	5000

The next question concerns Mr. Beverley Baxter:

Q. Over what period of time was he on the air? I think that question was also asked by Mr. Lawson.

—A. Mr. Baxter had two series, the first from March 22 to June 14, 1938, being thirteen occasions. These broadcasts were given weekly, on Tuesdays, from 10 to 10.15 p.m. The second series ran from September 16 to December 16, 1938, being twelve occasions. These broadcasts were given weekly on Fridays, from 10 to 10.15 p.m., with the November 11 broadcast being cancelled.

Q. Who was his sponsor?—A. General Motors of Canada (Limited).

Q. On what date was he cut off?—A. Mr. Baxter's broadcast was not cut off. His contract had expired and his sponsor made an application for another series with Mr. H. V. Kaltenborn as commentator. Due to the Board's policy established in December of not permitting commercially sponsored commentaries, this application was refused.

Q. Was this Beverley Baxter commentary carried on a basic or non-basic network?—A. Yes; national network of basic and non-basic stations.

Now dealing with Mr. Lowell Thomas:

Q. How long has his broadcast been coming into Canada?—A. The Lowell Thomas broadcast has been coming into Canada since the inception of the Canadian Radio Broadcasting Commission in 1933.

Q. Who is his sponsor?—A. The Sun Oil Company, Limited.

Q. Is this broadcast carried on a basic or non-basic network?—

A. There is no network involved, as this is only carried on CBL, Toronto, and CFCF, Montreal. CBL being a CBC station must comply with the new CBC policy laid down by the board, and therefore that contract expired on June 30. Thereafter, the Lowell Thomas newscasts will not be eligible for CBL, Toronto. It is not necessary, however, to interfere with the single station operation of CFCF in Montreal as that is a privately-owned station.

The next questions and answers refer to Mr. Reid of the London Life Insurance Company:

Q. What was the time of his broadcast?—A. January 19, 1938; 7.15 to 7.30 p.m.

Q. Who sponsored the broadcast?—A. The London Life Insurance Company.

Q. Is the script available?—A. Yes. On December 3, application was made on behalf of The London Life Insurance Company to buy time to enable the vice-president of the company to speak briefly to their policy-holders dealing with the principles upon which life insurance was operated. The application for the CBC national network was refused. In view, however, of arrangements made independently by the agents of The London Life Insurance Company with privately-owned stations antedating the extension of CBC network regulations for this fifteen-minute program of institutional advertising to be accepted by a hook-up of privately-owned stations concerned. There was, of course, no censorship. There is never any censorship imposed in these cases. I may say that somewhat unexpectedly the nature of the talk went a little beyond what we had thought would be included within the scope of the principles upon which life insurance was operated.

The next question was:—

Why was Hitler's broadcast cut off from Nuremberg?

I am not quite sure as to which particular broadcast of Herr Hitler, the Chancellor of Germany, is referred to. Our records show, however, that on September 12, Herr Hitler's broadcast from Nuremberg was given in resume form, and we carried it on our national network from the NBC, the resume being given by Max Jordan, European representative of the National Broadcasting Corporation. It was on September 12, from 4.15 to 4.30 p.m. So far I have been unable to discover any cut in that program, or indeed any cut in any previous broadcast which we carried of the public addresses of the Chancellor of Germany.

Mr. MARTIN: That would be merely reciprocal if it were cut, because he cut a lot of them.

The WITNESS: There is one point I should like to clear up to Mr. Martin's satisfaction. Mr. Martin and I were discussing the correct pronunciation of the word "péremptory." In accordance with the usual procedure, I have consulted the authorities. I find that the Oxford dictionary is on my side, but, unfortunately, the CBC handbook for announcers is on Mr. Martin's side; so, obviously, he is right.

Mr. BOUCHARD: May I ask how you pronounce the word "respite"? Do you say "respite" or "respit(e)"?

The WITNESS: We have not a ruling on it, so you can pronounce it as you like. I think it is "respit(e)."

Now I will deal with yesterday's questions. There is just this point, Mr. Chairman, in connection with most of yesterday's questions: They refer

chiefly to figures on the collection of licences, which is not a matter coming within the competence of the CBC—we are not the enforcement authority. It might serve the interests of the committee better to defer this until an occasion when the officers of the department concerned are here. I can give the facts, but I am not in a position to discuss the procedure with any first-hand information. Any information I give is necessarily at second-hand.

The CHAIRMAN: I think we had better leave that until we hear the officers of the department.

Mr. ISNOR: Why not put them on the record and we will have an opportunity of studying them?

The WITNESS: I will give the answers on the understanding that perhaps the committee will have an opportunity later of discussing them with Mr. Rush.

The first question was from Mr. Isnor—the number of licences for this year. The number of receiving licences for the current fiscal year, April 1, 1938, to the 28th of February, 1939—the nearest date we can give—is 1,206,093.

The next question pertains to the number of licensed sets in automobiles divided into provinces. The number of licensed sets in automobiles, included in the above figures, is 28,378.

Divided by provinces it is as follows:—

Prince Edward Island	68
Nova Scotia	1,117
New Brunswick	793
Quebec	4,350
Ontario	15,493
Manitoba	1,449
Saskatchewan	1,403
Alberta	2,602
British Columbia	1,103

The number of licences collected from owners of duplicate sets (I presume that is on the basis of multiple sets); licences collected for duplicate sets—this figure is not to be taken as final, it is a question of estimate—8,000 for the year.

Then, there was a further question in the same general category from Mr. Hamilton: Can you give us an estimate of the number of radios operating without licences? That is a very difficult question to answer, but with regard to that Mr. Rush has given me the intimation that there must be some 250,000. I understand that the radio trade itself thinks of this item in terms of a rather larger figure, but I do not know on what basis that is justified.

By the Chairman:

Q. That would include those who are on relief in the distressed areas throughout the west, would it not?—A. Yes, that is so.

The CHAIRMAN: I understand no effort is made to collect licence fees from them.

Mr. HAMILTON: You mean that the 250,000 radios will be still further reduced because there is no charge made against people on relief?

The WITNESS: Is that right, Mr. Rush?

Mr. RUSH: Yes.

The WITNESS: And then there was a question from Mr. Slaght which deals with a similar subject: Will you please prepare a breakdown of the commercial revenue for the last three years? I will ask you to bear with me while I make some explanation of the difficulties with which we are faced in respect to our accounting. The present fiscal year is the first in which the commercial policy of the corporation has been in operation throughout. During its course it has

[Mr. W. E. Gladstone Murray.]

become necessary to define more specifically what is meant by gross and net commercial revenue. The definition of gross commercial revenue employed is that amount of revenue which actually accrued to the corporation after paying commissions and handing on to the private stations their share of the network business. That was the point I tried to make in the discussion yesterday of the amounts that were available for the work we had to do. Net commercial revenue is the amount which remains after deducting the cost of the commercial department and certain other direct charges such as loops, etc.

In reaching the figure of net commercial revenue, no amount is deducted for the proportion of network, operating and general administrating costs which might be off-set as a proper charge against commercial income. Net commercial revenue cannot be regarded as the profit made on commercial operation. It is simply the additional revenue brought in by commercial broadcasting with all specific direct charges deducted. From an accounting point of view, it would be proper to charge against the commercial operations a percentage of the line and general overhead costs, proportionate to the amount of commercial business carried. This we are not doing, at least at the present time.

In some cases in revenue statements in earlier years it was the practice to lump all income, other than that derived from licence fees, under the heading of commercial revenue. This obviously was a matter of convenient distinction between licence fees and revenues from all other activities. It is now clearly desirable to separate from commercial revenues such casual and incidental items as interest on bank deposits and premiums on exchange, revenue from the sale of booklets, and interest and rental of studios.

Likewise, it is proper to differentiate revenues from the sale of lines for non-basic networks. The CBC is the sole network authority, and lines for non-basic hook-ups must be obtained from the corporation. Whether the corporation was itself in the commercial business or not, it presumably would have received a certain revenue from the sale of lines from non-basic networks.

In appearing before the committee last year, I indicated that we expected to take in a net commercial revenue of \$500,000 and that this would involve a gross commercial revenue of approximately \$700,000. It is calculated that our gross and net commercial incomes will be within these limits. It will be understood, of course, that these limitations are not established by statute, or by by-law of the corporation, or by regulation; or, indeed, even by minute of the board of governors.

They had reference, of course, to the commercial activities of the corporation based on the existing network. The operation of two new 50 kilowatt transmitters, one in the prairies, and one in the maritimes, will eventually make some alterations necessary in the commercial network structure. What these changes may be it is not possible to indicate at this stage. We are faced with entirely new problems in both these areas; in fact, I could not myself inform you exactly as to what changes will be involved. It is not likely that they will affect appreciably the commercial revenues of 1939. The related problems are under study at the moment, and I hope, before the committee rises, to be in a position to discuss these matters more fully, and with more precision.

Now, I should explain that it is not possible to give strictly comparable figures for the last three years. In the early stages it was the practice to divide revenues into two main categories, the first from licence fees, and the second from all other sources. The commercial policy of the corporation as it has been discussed before this committee has been in effective large scale operation only since January 1, 1938. It became necessary, as I have already explained, to give a more precise content to the term, commercial revenue. Hence, we have differentiated from commercial revenue such items as revenue from the sale of lines for non-basic networks, miscellaneous revenue from rentals, interest on bank deposits, etc. This is not the case in figures for earlier years. And there

is another very important consideration; in speaking of non-basic networks, it should be remembered that, prior to the revision of the wire line contract in the latter part of 1937, it was necessary to purchase lines specifically for any commercial broadcasts, whether by this corporation, or by auxiliary hook-ups of privately-owned stations. This makes it more difficult to produce figures which are strictly comparable or even analogous.

This is the first year in which the commercial operations have been regularized in conformity with the provisions of our new policy. Our estimate of the net commercial revenue for the fiscal year 1938-39 is \$481,000. I would emphasize the fact that the figure for 1938-39 is an estimate. The figure for the five-month period, November, 1936, to March, 1937, is \$95,332.50; and the figure for the fiscal year 1937-38 is \$355,919.65. The figures for 1936-37 and for 1937-38 contain miscellaneous items which of course have been subtracted from the figure for 1938-39.

Now, Mr. Chairman, are there any more questions on that commercial revenue?

The CHAIRMAN: Those are the questions which were asked previous to this meeting. Should we ask Mr. Gladstone Murray to go on and give us a survey of the program activities of the broadcasting corporation?

Mr. Ross: I would like to ask one question of Mr. Murray, although perhaps he might not be in a position to answer it at the moment. I would like to ask him if any estimate can be given of the anticipated revenue which might be provided if secondary sets were licensed at \$1 instead of \$2.50?

The WITNESS: That would be clearly a question for Mr. Rush, that is outside of my knowledge or even speculation.

The CHAIRMAN: All right, Mr. Murray, will you go ahead with your statement?

The WITNESS: Mr. Chairman, I propose to try to give you a picture as briefly as possible, and also as comprehensive as possible, of what we are doing in program work, and what we plan to do; and I am hopeful that the method of approach which you may see fit to adopt in criticizing or discussing points arising out of this statement will be a definite help in the building of better programs, and of a better service generally for the Canadian people.

The former Canadian Radio Broadcasting Commission in the 1935-36 (March 31 period) allotted 38.99 per cent of its total expenditure to programs. In the transition period beginning with the radio commission from April 1 to November 1, 1936, and including the initial month of the CBC's existence up to March 31, 1937, the proportion of expenditure for programs was 41.53 per cent. For the fiscal year April 1, 1937, to March 31, 1938, the CBC increased its proportion of expenditures for programs to 50.28 per cent. And for the nine months from April 1, 1938, to December 31, 1938, the proportion was again increased to 51.67 per cent.

The CBC's expenditure on programs cited above are, of course, only for sustaining programs. These sustaining programs at present occupy 70 per cent of the CBC's broadcasting day.

For the first time in Canada's national broadcasting history—a history which is still in its pioneering stages—Canada broadcast a program to the world. This was the fifth world concert broadcast at the invitation of the International Broadcasting Union, with headquarters in Geneva, on October 23, 1938, at 2.30 to 3 p.m. E.S.T. It was a music program representative of the various natural divisions of Canada. It was relayed to 24 countries. Reports on the program were received from many of the countries and were praiseworthy in tone. It is estimated that this program had an audience of more than one hundred million listeners. Reports have been received from many countries, and these will be analysed in a separate report which I propose to give you later.

[Mr. W. E. Gladstone Murray.]

Another broadcast from Canada which was relayed by short-wave to the world was "Canada's Salute" to the New York world's fair on February 5, 1939, at 1.30 to 2 p.m. E.S.T. This program consisted of music, characteristic of English and French Canada, given by some of Canada's leading music organizations, both instrumental and choral. The following report was received from the World's Fair committee after the broadcast: "Canadian Salute of Nations" won wide acclaim in American press and reflected great credit on Canadian Broadcasting Corporation and artists.

The CBC has continued to import from the United States and overseas the best programs available. The cordial relationships with the three American transcontinental networks have been as happily maintained as in the past. There has been continuing co-operation with the British Broadcasting Corporation with a view to furthering cultural exchange with the United Kingdom.

The visit of Mr. Ernest Bushnell the general program supervisor to Europe was an added step toward bringing CBC and BBC closer in touch with each other. Mr. Bushnell was able to sit in on round-table discussions with the BBC Empire service executives and many problems which had hitherto presented difficulties because of differences of outlook and distance were frankly discussed and the necessary remedial steps agreed upon. It was arranged that the BBC would do special programs which would be transmitted to Canada at times more suitable for CBC listeners. Some of the programs we have been taking from the BBC have not been altogether successful, for various reasons. First of all, the standard of transmission has not been sufficiently uniform. Secondly, the programs themselves have not been ideal for their purpose. Now, however, the BBC are going to build programs to our specifications, and we will be able to make better use of them. Mr. Bushnell was also able to visit the headquarters of the French state broadcasting system in Paris. Dr. Frigon had already made arrangements to receive recordings of special French programs suitable for broadcasting in Canada. Actuality broadcasts, such as the visit of the King and Queen to Paris, were considered best for initial use. Mr. Bushnell also visited the broadcasting authorities in Italy and Germany, and also in Belgium, where the state system comprises a bilingual organization, French and Flemish. Naturally the balance of exchange is in our favour. The debt of obligation in the artistic field is constantly being weighted against us until we have a high-powered short-wave transmitter.

By the Chairman:

Q. Might I ask a question at this point; how do you send your programs over to Europe now?—A. At the present time we are doing it by beam-telephone, or by using United States' high-powered short-wave facilities.

Mr. HAMILTON: Perhaps this would be a convenient point at which to ask questions about short-wave transmission—unless Mr. Murray would prefer to go on with his statement.

The CHAIRMAN: I think we should probably let him go on. I am sorry that I interrupted myself.

The WITNESS: In a series of programs called "Canada Speaks," a fisherman, a goldminer, a prairie farmer, an Arctic air pilot, a rancher and a lumberjack talked about their pursuits for English listeners as well as CBC, and they were accorded a fine reception throughout the British Empire. The "Calgary Stampede" and a special modern music program "Canadian Fantasy" were also relayed to BBC. NBC also took the latter program. These were carried by beam-telephone and paid for by the British Broadcasting Corporation.

From April 1, 1938, until January 30, 1939, 24 CBC broadcasts were relayed to the three United States networks. In the same period 97 special exchange broadcasts were received from the three United States chains (exclusive of the

September crisis). These included pickups from London, Paris, Rome, Moscow, Morocco and China. From the BBC thirteen programs were taken direct and three from Paris direct in this period. With regard to broadcasts from Paris it should be noted that the French short-wave service was only initiated on May 3, 1938, and technical difficulties have prevented satisfactory reception. Mr. Jean-Marie Beaudet, who is our music supervisor, also visited Paris. He made arrangements for a weekly program consisting of (1) symphony music (2) lyric works (3) chamber groups and song recitals and (4) cabarets. Because of technical reception difficulties it appears that these programs will have to be recorded for rebroadcasting.

"La Demi-Heure de Paris" heard on the French network on Tuesdays from 8 to 8.30 p.m., E.S.T. is prepared in France especially for Canadian listeners. These programs consist of interviews with prominent people, sketches, actuality broadcasts, etc. They are recorded in Paris and rebroadcast to the French network.

The European crisis in September created a particular problem. Events moved with such speed and the background changed so constantly that great efforts had to be made to present an accurate and up-to-date picture. Canada's geographical position between the United Kingdom and the United States made it possible to bring to Canadian listeners reports from experienced newspaper observers, both British and American. During these strained days from September 7th to September 30th, 1938, eighty-three special broadcasts were radiated by CBC. For many of these the Canadian Press provided special news flashes. As well as this, evening news resumés were broadcast.

Aside from speeches direct from the principals in this historic drama and descriptive broadcasts about their movements, the following trained observers gave special commentaries for the CBC: Sir Malcolm Robertson, BBC; Karl von Wiegand, International News Service; William Shirer, European representative, CBS; M. H. Halton, European representative, *Toronto Star*; Max Jordon, European representative, NBC; Edward R. Murrow, London representative, CBS; Pierre Hus, International News Service, Berlin; H. V. Kaltenborn, chief of the foreign division, CBS; C. Ward-Price, diplomatic correspondent, *London Daily Mail*; Webb Miller, European manager, United Press; Wickham Steed, former editor, *London Times*; Walter Deull, International News Service; Delotbiniere, BBC; Alvin Steinkopf, Associated Press; Kenneth Downs, International News Service; Edward Traus, Associated Press; Jan Walweska, Poland; Commander Stephen King-Hall; Graham Spry and Gerald Barry, editor of the *London News-Chronicle*.

The plan for exchange of producers between Canada and the various broadcasting systems in the Empire was further developed. This was inaugurated last year with an exchange between the CBC and the BBC; the first dominion, Australia, was included this year. As second guest producer, the BBC sent Captain Sieveking, the senior BBC general producer, to Canada. In return the CBC dispatched H. Rooney Pelletier to London—and I was able yesterday to tell you the discussion which he created in France as the result of his description in French over stations of the BBC of the Lord Mayor's show in London. Mr. Sieveking, himself a war-time pilot, did a special broadcast about Arctic flying from Edmonton which was relayed to 21 countries. He has since undertaken a comprehensive schedule of eight dramas which are being and will be produced in Vancouver, Toronto and Montreal. Mr. Pelletier has broadcast a series called "Famous Palaces" on the BBC home and Empire transmission from London. These are being carried by the CBC.

The Australian Broadcasting Commission sent John Cairns to Canada as their first guest producer. In exchange the CBC selected J. Frank Willis, of Halifax, and sent him to Australia. I might break off here to say that what I forecast in my evidence of last year about the wonderful incidental value of

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this system of exchange is now borne out by the fact that Mr. Lawrence Gilliam—who was the first BBC producer to come here, and who contributed so considerably to our own service—since his return to England in his normal functions in the BBC has put on several extraordinarily good programs about Canada. It therefore appears that when these producers return to their own countries they are, in effect, ambassadors from the country of their temporary adoption.

Mr. Charles Warburton, who is senior actor-producer with the National Broadcasting Company, was in Canada during three or four months of last year specially to help us in connection with the Shakespeare series.

Probably the most successful CBC venture of the period under consideration was the series of Shakespeare broadcasts. The CBC was fortunate in being able to obtain the services of leading British and American actors who were currently appearing in New York. The following plays were produced for the microphone: "The Merchant of Venice" with Sir Cedric Hardwicke; "Henry VIII" with Margaret Anglin; "Merry Wives of Windsor" with Charles Warburton; "Midsummer Night's Dream"; "Othello" with Walter Huston; "King Lear" with Walter Hampden; "Romeo and Juliet" with Eva La Gallienne; "Richard II" with Dennis King; "Julius Caesar" with Charles Warburton; "As You Like It" with Eva La Gallienne, and "Hamlet" with Dennis King.

Special music was provided by an orchestra under the leadership of Reginald Stewart.

The CBC received five hundred and forty-eight letters about the Shakespeare series. They came not only from individual people but also from study clubs and Shakespeare societies.

In addition to this series the Department of Drama and Production gave employment to seventy-five different Canadian actors from various parts of the country, fifteen vocalists and fifty different musicians.

I shall have an announcement to make about a further series of Shakespeare productions before the end of this statement.

The results of the CBC's first drama contest will be announced on May 1st. One hundred and ninety dramas were received from all parts of Canada. The standard of most of the entries is reported to be notably high. The adjudicators are Ronald Mitchell, University of Alberta, Edmonton; E. G. Sterndale-Bennett of Toronto and Mrs. Louis White of Ottawa.

Two other series of broadcasts which have received public notice are "Miss Trent's Children," produced from Montreal, and "The Builders of Canada," produced from Edmonton.

A series of plays based on Mazo de la Roche's "Jalna" is contemplated for nine broadcasts commencing in April. During the summer a series of "Klondike Tales" from Vancouver and a series on the "Selkirk Settlers" from Winnipeg will be given.

The Department of Drama and Production is now preparing, in association with the University of British Columbia, a series of five "Work-Shop" dramas. In this series there will be an opportunity for authorities on drama to discuss play construction, music, acting and presentation.

On the network the following operas have been broadcast from the stage of the Metropolitan Opera House, from April 1st, 1938, to the end of January, 1939: Tristan and Isolde, Orpheus and Eurydice, Othello, Siegfried, Mignon, Lucia di Lammermoor, Fidelio, Der Rosenkavalier, Don Giovanni, Simon Boccanegra and Louise.

The following chamber and concert music groups have broadcast: The Montreal String Quartet, the Pelham Richardson String Orchestra, Melodic Strings, Toronto Trio, the Tudor String Quartet of Winnipeg and the Hart House String Quartet. A special feature was a broadcast by the Griller String

Quartet of London, which paid a visit to Canada in February. The Hart House String Quartet is at present engaged for a series of eight concerts on Sundays from 9.30 p.m., E.S.T. It will run until April 23.

The Lunenburg Glee Club gave a well received series of thirteen choral broadcasts. Other choral organizations which were heard were the Bach Choir of Hamilton, the Elgar Choir of Hamilton, the Mendelssohn Choir of Toronto, the Canadian Choir of Brantford, the Kitchener-Waterloo Philharmonic Choir and choir groups from Winnipeg and Vancouver.

Then follows a long list of dance organizations which can go into the record. The list is as follows:—

- Len Hopkins' Orchestra, Ottawa.
- Trump Davidson's Orchestra, Ottawa.
- Sandy de Santis' Orchestra, Ottawa.
- Luigi Romanelli's Orchestra, Toronto.
- Horace Lapp's Orchestra, Toronto.
- Mart Kenny's Orchestra, Toronto.
- Ken Peaker's Orchestra, Saskatoon.
- Claude Turner's Orchestra, Winnipeg.
- Jerry Fuller's Orchestra, Lake Louise.
- Joe de Courcy's Orchestra, Edmonton.
- Lloyd Huntley's Orchestra, Montreal.
- LaSalle Cavaliers, Montreal.
- Alex Lajoie's Orchestra, Montreal.
- Arthur Van Der Haegh's Continentals, Montreal.
- Gilbert Dariisse's Orchestra, Quebec.
- Ozzie William's Orchestra, Ottawa.
- Charles Paulette, Vancouver.

Now I should like to touch upon one or two features of a more serious nature, without going into too much detail, the first of which is Canadian citizenship. An especially planned series called "Ventures in Citizenship" was broadcast from Winnipeg weekly from September 28th to December 21st inclusive. The thirteen programs dealt with the problem of Canadian citizenship and the contributions which the various races, particularly the New-Canadians, are making to Canadian life. The programs embrace the following titles:—

Canadian Citizenship; Youth Broadcast; Family Life; The Conduct of Life; Political Adjustment; A Celebration of Citizenship; Jewish Contribution; Mennonite and German Contribution; Ukrainian Contribution; The Spirit of Scandinavia; Polish Contribution; French-Canadian Contribution; The Five Choir Festival; Christmas Party.

The general director of the series was Robert England, who has made a special study of the various races now living in Western Canada.

Mr. BOUCHARD: Hear, hear; he is a good man.

The WITNESS: In the field of sports broadcasts we have made a step forward. The CBC provided exclusive regional and national coverage of the following sports events:—

- (a) Allan Cup Hockey.
- (b) Canadian Basketball Championships.
- (c) Canadian Amateur Golf Championships.
- (d) Canadian Open Golf Championships.
- (e) Big Four and Intercollegiate Football.
- (f) Eastern Canada and Dominion Football Championships.

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- (g) Canadian Boxing Championships.
- (h) Canadian Track and Field Championships.
- (i) King's Plate Horse Races, Toronto and Montreal.
- (j) Canadian Lawn Tennis Championships.
- (k) Davis Cup Tennis Championships:
 - Canada vs. Japan.
 - Japan vs. Australia.
- (l) Canadian Canoe Championships.
- (m) Gold Cup Motor Boat Races.
- (n) International Fishermen's Races:
 - Bluenose vs. Gertrude L. Thebaud.
- (o) Canadian Lacrosse Championships.

National coverage was also given to the following feature and special event programs:—

- (a) Opening Ivy Lea Bridge at which the Prime Minister and President Roosevelt spoke.
- (b) Conferring of Honorary Degree on President Roosevelt by Queen's University.
- (c) Opening Blue Water Bridge, Sarnia.
- (d) Centennial Celebrations, Prescott, Ontario.
- (e) Trans-Atlantic Flight by flying boat Mercury.
- (f) Opening Ottawa Airport.
- (g) Opening Trans-Canada Air Express.
- (h) Opening Val D'Or-Rouyn railway line.
- (i) Armistice Day Ceremony, Parliament Hill.
- (j) Royal Winter Fair.
- (k) Opening Canada-Newfoundland Telephone Service.
- (l) Farewell Banquets for Rt. Hon. R. B. Bennett, Toronto and Saint John.
- (m) Unveiling Memorial to Canadian Women in Senate Chamber, Ottawa.
- (n) International Tuna Fishing Competition, Nova Scotia.

That is more with the view to giving the scope of these activities than with a view to being an exhaustive account.

Feature programs planned for next season include "The Story of Wheat," which is already in preparation. It will be a sound picture sequence of the entire process from the planting to shipment abroad. Another feature will be "Summer over the Maritimes," which is planned for broadcasting next August.

In addition to the above, special broadcasts were also produced relating to Banff, Jasper, Prince Albert, and Riding Mountain National Parks. There was also a special broadcast based on Quebec City. The Banff and Quebec programs being heard in Great Britain and throughout the British Empire.

Broadcasts were also arranged on trout fishing and bass fishing. These were not altogether successful.

By Mr. Héon:

Q. The fishing or the broadcasting?—A. The fishing. They were carried over the NBC in the United States, and we were rebuked for not having arranged with the fish to be more responsive.

I shall deal separately with the royal visit.

I now come to a problem in program building which is giving us a great deal of concern and upon which I should be grateful for suggestions and advice. It is indeed a vexing problem and one of acute controversy. I refer to children's

programs. The situation, in general, is that over a period of years in the sphere of commercial broadcasting there has grown up a sort of tradition—which apparently is very successful from the angle of commercial broadcasting, because they have not only continued it but have developed it—for the sale of commodities and services of well-known and perfectly reputable firms. The unfortunate thing, from one angle, is that the programs are amazingly successful; in fact, they threaten family life with disorganization. We are getting an increasing volume of protests from all over the country. Most of the protests, of course, are directed against what they call "thriller" programs, terrifically exciting programs in which astonishing deeds of heroism are performed and in which the motif "Crime never pays" is usually emphasized. The ethics are above criticism but the procedure whereby the conclusion is arrived at is rather too tortuous for the happiness of mind of the anxious parents who are trying to regulate the lives of their children. It is a serious problem; and without wishing to interfere unnecessarily with the activities of the sponsors or privately-owned stations, we are being put into the position of earning, perhaps a little more than we have already earned, the somewhat disadvantageous title of "bureaucracy."

The CBC is keenly aware of the situation with regard to children's programs in Canada generally to-day. Since broadcasting in this country began with numerous scattered privately owned stations working on a commercial basis, each quite independent of the others, it is only natural that Canada has inherited the multiplicity of commercial programs for children which exist to-day.

We recognize quite frankly that many of these programs for children, such as those of the so-called "thriller" type, have objectionable features. The pressure of public opinion has in some measure alleviated the worst features of some of these programs, so that to-day the commercial programs for children, which are subject to the most criticism, are not so bad as they used to be on that ground.

So far as the CBC is concerned, our ultimate endeavour is to dispense with the type of program to which parents make a valid objection. At the same time, we have to be on our guard not to rule out all programs which parents alone object to for various reasons. In this regard, we are very anxious to cooperate with such bodies as education societies and so on.

The CBC at present has only been able to make a beginning towards some kind of ordered program schedule for children. The chief difficulty is financial. However, we have made what we think to be a good beginning, and to this end we have instituted two serial programs for children. The first one is "The Magical Voyage to the Dominion of Candy," which is broadcast on Mondays to Fridays from 5.30 to 5.45 p.m., E.S.T. This has been an experiment of interest in various ways. It was an endeavour to give the legitimate degree of thrill, interest and attractiveness from that angle, and yet with an ethical motive, and to remove the legitimate objections of the parents. It has maintained its audience to a considerable degree, so far as we can judge, and has been at least a partial corrective. A good deal of care and money has been spent on this. It is a program of literary and imaginative merit which, at the same time, has a sufficient ingredient of adventure and excitement. It is destined chiefly for younger children. The scripts were written especially by Paul Wing who is an authority in that sphere. The program is produced in our Toronto studios, and the boy and girl who act the leading roles come from Toronto homes.

In order to reach children across Canada reasonably near the bed-time hour, we have to go to the additional expense of rebroadcasting by recordings this program in the maritime provinces from 4.15 to 4.30 p.m., E.S.T., from Monday

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to Friday, and in the western provinces of British Columbia, Alberta and Saskatchewan, from 7.30 to 7.45 p.m., E.S.T., from Monday to Friday. Winnipeg receives the original program from Toronto, which is at 4.30 p.m. Winnipeg time. This technique of broadcasting, is further complicated by the time interval, in our endeavour to reach a particular audience at the appropriate time throughout the country.

There is also the program "Major Bill the Answer Man" from Montreal, for older children.

On Saturday afternoons we have another program for children, usually with music or singing. In this period we have made use of the talents of Miss Mary Grannan, a primary teacher with a very special gift for story telling, and who lives in Fredericton, New Brunswick. Miss Grannan will be joining our staff in July. She broadcasts her stories under the title of "Just Mary." She is one of the few "naturals" in broadcasting, both in script writing and in microphone technique. At present we also have the songs of Miss Greta Masson, "The Lamplighter."

The CBC stations, individually and in smaller groups, produce from time to time other local programs. Such a one is the "Uncle Bob's Safety Program" heard on CBL, the Ontario regional transmitter, which was devised in cooperation with the local authorities and provincial government with a view to establishing a greater sense of consciousness of danger, a greater sense of self-protection in the face of traffic possibility.

We now hope to engage the services of some other specialists with knowledge of producing radio programs for children, with a view to initiating a "Young People's Hour" on a more elaborate scale. Such a program would be constructed so as to make the young listeners feel that it was their own particular program, and the program material would be directed so as to appeal to children from the ages of two to fifteen.

On the listening side, the CBC is now encouraging listening groups in which, by co-operative efforts, several listeners help one another to make the most of selective listening. In that connection we have the very valuable and active co-operation of the Canadian Association for Adult Education, the Canadian Legion, the Women's Institute, Workers' Educational Association, Boy Scout and Girl Guide groups, the Canadian Teachers' Federation and the Canadian Educational Association. The following talks series or discussions have been published in booklet form by the corporation during the recent period:—

National Defence—What we have to defend.

Our Heritage of Freedom—Discussions of British Constitutional Principles by various authors.

Radio Drama is Not Theatre—By John Coulter and Ivor Lewis, with a foreword on Dramatic Dialogue by John Coulter.

Democracy at Work—The machinery of Parliament Hill and Civil Service—by D'Arcy Marsh. A series of talks dealing with Dominion Civil Service Activities.

The Canadian Constitution—Discussions of the Problems of the Canadian Constitution by the members of the Constitutional Club, Vancouver, the Kelsey Club, Winnipeg, and the Citadel Club, Halifax.

Whither Democracy—Talks on the Economic and Political Problems of Canada from various points of view.

Canadian Literature—Discussions on contemporary problems in Canadian literature.

Discussions in the National Forum series were printed in mimeograph form and sent to listeners immediately after each broadcast for a nominal price of 10 cents per copy. As in the past 15,000 copies of a news letter to teachers were distributed through the Canadian Teachers' Federation.

Programs are broadcast to schools in British Columbia every week day, except Saturday, from 12.30 p.m., to 1 p.m., E.S.T. These programs are distributed on the Pacific network every day, except Wednesday, when they are extended to the western network.

The following national network talks, while not broadcast during school hours, have an educational value:—"Canadian Poetry To-day"; "International Interviews"; "Let's Consider"; "Canadian Painting"; "Romance of Medicine"; "Art of Crooked Thinking"; "Book Reviews"; "How Farming Began"; "Birds and Gardens."

No plans are being made for additional programs for broadcasting to schools until finance and staff warrant it. I had hoped to do something more definite about that in the maritimes and the prairies, but it will depend primarily on the budget which will be revealed after your deliberations.

Religious broadcasts are continued and have been extended. The National Religious Advisory Council has been formed. The council has representatives of the Baptist Church, the Church of England, the Presbyterian Church, the Roman Catholic Church and the United Church. Minority groups are given appropriate consideration. The whole scheme of religious broadcasting on the national network is, of course, unsponsored. It is a service we give to the general ethical interests of the community. Since October there have been two main devotional half hours each Sunday. These programs, which originate in the major production centres, are arranged by the National Religious Advisory Council and the speakers are chosen by them.

The Northern Messenger was again scheduled on Fridays, with a sustained volume of personal messages to residents of the far north from friends and relatives. On Christmas Eve the program originated at many points on the network across Canada, the first message going to the Hon. John Buchan at Cape Dorset, Baffin Land, from his parents Their Excellencies Lord and Lady Tweedsmuir.

The total number of messages sent for fifteen broadcasts from November 4, 1938, to February 10, 1939, amounted to 3,349 in English and 171 in French. In the Christmas Eve Broadcast there were approximately 220 direct participants.

The number of programs broadcast per month showed a continued increase. Whereas at the end of the last fiscal year there was an average of 1,350 programs per month, totalling about 520 hours by the end of 1938 this had risen to 1,600 programs per month, totalling over 600 hours. This increase means that still more Canadian talent is being utilized. Some 3,807 artists were involved, exclusive of groups and choirs paid in bulk. During the present winter season the average number of network hours per week was seventy-seven, with an average of $16\frac{3}{4}$ hours or 30.4 per cent devoted to commercial programs and $60\frac{1}{4}$ hours or 69.6 per cent devoted to sustaining programs.

Broadcasting is an entertainment business, and the measure of its success is the measure of the entertainment it provides. Entertainment is not merely variety, light music, comedians, comedies, farces, burlesques, dance music, concert parties, and so on. It is true that these are the lighter forms of entertainment, and it is true that they should all be worthily represented in any well-balanced schedule of broadcasting, but the entertainment motive must not be confined. It should run throughout the whole of the structure of broadcast programs. The fact that it does not do so as yet measures the present immaturity of the art. It is also a point which we have specially to keep in mind in the public service organization of broadcasting. Admittedly we must

accept the responsibilities that are peculiar to public service, but must not forget that these responsibilities cannot be fulfilled if we lose sight of the predominating importance of the entertainment motive.

I should like you to bear with me while I try to follow this entertainment motive by a fairly tortuous course through the programs of the past year and the programs that are now planned. What has the CBC been doing in the region of light entertainment, such as variety, vaudeville, humorous sketches, burlesque, light music, dance music, and so on?

We recognize quite frankly that Canada cannot compete with Hollywood, which is rapidly becoming the radio entertainment centre of this continent, and, in some respects, of the world. Entertainment is here used in the narrow sense of "light entertainment."

We are importing what we consider to be the best of these Hollywood variety programs. It is true they are commercial programs. It is also true that we have placed a voluntary limit on the amount of commercial revenue which we will accept.

We take such programs as Jack Benny, Bing Crosby and Bob Burns, Frank Morgan, Baby Snooks and Al Jolson. These are first-class entertainment of their kind, and therefore are commercial.

You will remember that Kipling in his "Road to Mandalay" refers to an "idol made of mud." I would now refer to an "idol made of wood"—Charlie McCarthy. Latest figures show that Charlie is fifteen points ahead of his nearest rival in the popularity poll.

Mr. SLAGHT: Do their sponsors pay us to come in here?

The WITNESS: Yes.

It is also true that we take these programs because they happen to yield us a modest but much needed amount of revenue. I feel sure, and I think you will agree with me, that if we suddenly dispensed with all these Hollywood programs because of their commercial affiliations, there would be a wave of protest from coast to coast.

There are three other programs, which though strictly not in the field of light entertainment are worth mentioning: Cecil B. De Mille's "Theatre of the Air," "The Silver Theatre" and Orson Welles' "Playhouse."

On the question of the popularity of United States programs, it might interest you to have the actual results of the last census of opinion:

One hour programs, Charlie McCarthy is first by fifteen per cent.

Cecil B. de Mille (Theatre of the Air) a pretty bad second, apparently, in popularity.

Bing Crosby is fairly close, as third.

In half-hour programs Jack Benny is pretty well to the front, but his lead is being closed up by "Big Town," featuring Edward G. Robinson.

In fifteen minute programs the old-timers, Amos and Andy, still have quite a lead, with Walter Winchell second and Lowell Thomas third.

Mr. BOUCHARD: What is your standard in judging popularity?

The WITNESS: That is not our standard. I am quoting from an American analysis of correspondence. I may say that its validity is a matter of controversy, because the correspondence is solicited. I should like to deal with that separately under the heading of the "Consultation of Public Opinion," because it is a very involved and difficult problem.

Canadian variety programs are necessarily limited by talent resources. Our variety programs cannot of necessity be on anything like the lavish scale of those heard on the United States network or on the BBC; but we can concentrate on the less ambitious type of production. It is possible for the CBC to discover distinctive talent which we can fit into a Canadian mould, if we can retain it after we have discovered and developed it. The comedy

team of Woodhouse and Hawkins is an example. This production is now entering its fifth year, from Winnipeg, and is still going strong. These two comedians have the unusual facility of being able, each of them, to act with authenticity and admirable conviction the parts of five people, so that they could play almost a production of Shakespeare to the complete conviction, or, if you like, delusion of the listening public.

Winnipeg's cosmopolitan atmosphere appears to give impetus to comedy programs. We have also been producing the "Minstrel Jamboree" program from Winnipeg, and this program has received commendation from the United States.

From Toronto there has been the "Saturday Review," a program which has contained a little bit of everything.

From Montreal we have another program called "The Little Revue," which was a kind of variety program in miniature for French and English listeners together.

Then there is the program "C'Est Paris," from Montreal, which makes use of the cosmopolitan music-hall atmosphere, and is so constructed as to appeal, we hope, to both English and French listeners. The doings of the Parisien "Boulevardier" provide amusement for listeners who speak both languages.

For French-speaking listeners there is a program of present-day happenings in Paris, called "Demi-heurs de Paris," which I have already mentioned.

With regard to the important new type of development which might perhaps properly be described as music in the modern manner, I think there is one kind of program for which we can claim some merit. I am referring to Percy Faith's music production which was mentioned yesterday as an example of the intricacy of program building. These are orchestral and vocal arrangements in the modern manner. More up-to-date people might refer to them as "streamlined," but I do not believe that that word, as yet, has found its way into the Oxford dictionary.

During the past summer Mr. Faith directed a half-hour program called "Bands Across the Sea," which was heard on the CBC national network and relayed to the coast-to-coast network of the broadcasting system in the United States and through them by shortwave to the Hawaiian Islands. I am not sure just what the title "Bands Across the Sea" actually means, whether they were referring to Mr. Faith's band or to the shortwave bands. Perhaps it was the latter since I would presume that Mr. Faith has some valid objection to his competent musical ensemble being called a "band." That would be much too old-fashioned for the devotees of music in the modern manner.

For the present fall and winter season Mr. Faith has continued with another similar program which is entitled simply "Music by Faith." We had a letter from a clergyman pointing out to us that this title might be misconstrued and that people seeing it might think it was a religious program. I am sure that after anyone had heard the program, they would be quite certain that it was not a religious program.

For the first time such a program was presented in a city auditorium and broadcast in this way from Toronto. Admission was free and the weekly crowded houses attested to the popularity of the production, which was also relayed to the Mutual network of the United States.

There were several other fifteen-minute programs which we tried to make reasonably high in their particular field, also typical of Canadian artists. The titles of a few of these will indicate their nature:—

"Swing Sing," "Saxo-piano," "The O'Toole Brothers and Wilson with Suzanne."

[Mr. W. E. Gladstone Murray.]

I am not giving these in order of merit, not good music and bad music and inferior music, because the thesis I should like to develop is that all these departments of entertainment should be good of their particular kind.

We have had the lighter variety type; now let us come to the other type—another gradation—familiar music. In this category the CBC broadcast a variety of music by groups, both vocal and instrumental, such as "By the Sea"—I dealt with that yesterday—"Music from the Maritimes," Marjorie Payne and her orchestra from Halifax; "Classics for To-day," with Jean de Rimanoczy from Vancouver; "Echoes of the Masters" with Geoffrey Waddington from Winnipeg. And from Montreal "Gems from the Lyric Stage" which featured Raoul Jobin, Paris opera tenor, Germaine Bruyere, soprano, and orchestra directed by J. J. Gagnier, and presently a program called "Appointment with Agostini." There have been, of course, numerous smaller groups which have played dinner music and the like and other individual vocalists.

Now, with respect to dance music: Canada is generously supplied with dance-band talent. It has been our policy to broadcast dance music from all parts of the country. It may interest you to know that there is a growing demand both in the United States and elsewhere for our Canadian dance-band music. During the past year we have broadcast dance music from the following Canadian centres: Vancouver, Banff, Lake Louise, Jasper, Edmonton, Calgary, Saskatoon, Winnipeg, Ottawa and Quebec City, Toronto and Montreal. The "Farmers' Fiddlers" from Winnipeg have delighted rural listeners and urban as well who have not forgotten the intricacies of the square dance. Old time dance music has not been forgotten; indeed, the information at our disposal now would seem to indicate that there is a definite renaissance of interest in old time music.

Some Hon. MEMBERS: Hear, hear.

The WITNESS: There was also one program devoted to the rhythms of Latin-American music, aptly though not too originally, called "sombrero."

Plans are envisaged both for the immediate and remote future in the area of program activity in which the entertainment motive is obviously pre-eminent.

Our plans for the coming summer include a one-hour variety show, probably broadcast from Toronto; a dramatization of the "Jalna" books by Maza de la Roche; dance music from the well-known summer resort and weekly band concerts by British military bands. Constant search for a humorous type of program is being made. And I will confess that our experiments in humour so far have not been characterized by any conspicuous success. And, if any of the members of this committee would like to contribute any pertinent suggestions as to how we may develop or bring out a distinctive Canadian humour I can assure you such suggestions would be gratefully received by us.

So-called "quiz" programs are the order of the day and I think the NBC program "Information Please" has proved that such a presentation can be both amusing and informative. And in that connection the French network has stolen a march on us by introducing a program called "Si'l Vous Plait" which I believe is already highly appreciated. We are going to attempt a similar program for the rest of Canada, and I am hopeful that it will prove to be of equal worth.

It will be a general knowledge program of a question and answer type on a competitive basis.

The high-brow critic is apt to subscribe to the contention that program material should be rated almost in inverse proportion to its supposedly popular acceptability. I know music critics who would be mightily pleased with long programs of difficult contemporary chamber music that would have no audience at all or practically none. The sense of audience is fundamental. It is argued that the correspondence sought on behalf of certain commercial programs establishes their overpowering popularity. All correspondence must be judged

scientifically and in relation to all the factors involved. Correspondence, fan-mail, as it is otherwise known, is one factor and an important one in the shaping of program schedules; but it is only one and must be related to other considerations.

I have said that the measure of the spread of the range of acceptable programs reflects not only the development of the art form and more important rise in the standard of public appreciation. This is of course most evident in the realm of symphony music. I do not say good music or better music because dance music and light-orchestral music performed with distinction and presented skillfully with taste should be degraded to no inferior category. Symphony music, however, is different. It is perhaps a language of greater depth; it is certainly not so easy to understand or to enjoy.

It is with symphony music that there has been the most marked development in broadcasting all over North America, but particularly in Canada and during the past year. For the first time we have brought to listeners regular broadcasts by leading Canadian symphony orchestras. Last summer the Toronto Promenade Symphony orchestra under the direction of Reginald Stewart broadcast twenty-four concerts which were also carried by NBC. Symphony groups in Regina, Vancouver and Calgary have broadcast. Currently, the Toronto Symphony orchestra, directed by Sir Ernest MacMillan (one of our music advisers), is engaged in a series of twenty weekly broadcasts. The two Montreal groups, Les Concerts Symphoniques de Montreal, directed by Rosario de Bourdon, and the Montreal orchestra, directed by Douglas Clarke, are between them broadcasting a series of twenty concerts.

All these symphony broadcasts have given or are giving employment to about 450 different Canadian musicians.

Dr. Wilfrid Pelletier—our other music adviser—gave a series of four children's symphony concerts from Montreal. And, of course, we have had the New York Philharmonic from the Columbia Broadcasting System, Toscanini from the National Broadcasting Company, and the WOR symphony from the Mutual Broadcasting system.

Now, let us examine some comparative figures:—

In May, 1937, we broadcast 15 symphony programs. This amounted to 2.2 per cent of the program time of that month.

In May, 1938, one year later, we broadcast 49 symphony programs. This amounted to 6.7 per cent of the program time of that month.

The percentage of programs in the same month a year later had increased three times.

I would like to make an observation on that; that was not the result of pressure, but rather it was the result of the most careful consideration of the development in public taste and the demand of the listening community. Therefore, we can say with considerable confidence that there is a rapidly growing improvement in the general standard of public appreciation of symphony music.

In November, 1937, we broadcast 20 symphony programs. This amounted to 3.8 per cent of the program time of that month.

Comparing this with November, 1938, that is the same month a year later, we broadcast 37 symphony programs. This amounted to 6 per cent of the program time of that month.

Comparing the two Novembers the percentage of time increased more than 1.5 times.

For longer periods—for the last fiscal year, April 1, 1937, to March 31, 1938—the total number of symphony programs was 284 which represented 4.5 per cent of the program time for the year. For the nine months from April 1, 1938, to December 31, 1938, the total number of symphony programs was 334 and the percentage of time it represented was 5.3 per cent. In other words, for the nine months of this fiscal year we already have exceeded by 50 the number of symphony programs broadcast during all of the last fiscal year.

By Mr. Héon:

Q. You referred a moment ago to the Mutual Broadcasting System of the United States. Are you in a position to inform the committee as to what is the actual coverage of this system as compared with the Columbia or the NBC network?—A. It is younger; it is the third system.

Q. I just wanted to know what you thought of it. Has it a national coverage?—A. Yes, it has a coast to coast coverage. It is a system which in many ways is comparable to our set-up in the CBC, more so than is the case with the larger networks. Their problems are analogous to ours.

Q. Its main station is WOR at Newark?—A. Yes, and if you like—

Q. No, it is not necessary as far as I am concerned.—A. —I can bring you an exact comparison.

Q. At the moment all I am interested in is the relative strength of this system?—A. Its existence is to us a matter of strategic importance.

Mr. BOUCHARD: Might I ask what steps if any the CBC are taking with respect to programs for children which would have the result of making them more nature conscious. For instance, are you making any attempt to put on the air reproductions of bird songs and things of that kind. That should be of particular interest at this time of the year when the spring migration is about to take place. Children are usually interested in matters of that kind and I suggest that programs of that nature would have the effect of making them more nature conscious, and at the same time rural conscious.

The WITNESS: Something has been done, but perhaps not enough. I am glad to have the suggestion, and I shall see that it is followed up more adequately.

Mr. HEON: Here is something else. I was reading the other day—I do not know whether it was in the magazine Digest or the Reader's Digest—about a program featured on a San Francisco station, I think it was a private station, whereby so many unemployed were provided the facility of offering their services to the listeners-in. I think about fifteen people of this type were accommodated at each broadcast and with two broadcasts a week that would give opportunity to thirty unemployed. I understand they are getting a very good response from the listeners-in, and I was wondering whether or not something of that kind could not be done by you.

The WITNESS: I should be glad to look into that. I had not heard of that experiment.

Mr. HEON: It seems to be meeting with a considerable amount of success.

The WITNESS: That is very interesting. I have said that the limitation of the spread of entertainment quality is measured by the present limitation of development of art form on the radio. This applies particularly to the spoken word. Do not misunderstand me. There has been development of the spoken word side of broadcasting. We have put on a good many more talks in the past year than we did in previous years. Some of these have been definitely better, and I think they are getting better in the sense that they are more reasonably easy to listen to. But the point is that, from the angle of program building and program progress, not a great proportion of our talks are irresistible. Incidentally, the improvement of the apparatus of reception is a considerable help in increasing the popularity of talks, but the discovery and the grooming of the acceptable broadcast talker is a painfully slow process. I say that with considerable feeling. In this field, perhaps more than in any other, we are in the experimental stage. The next step will be to add to our staffs at production centres, either to the duties of existing producers or to new producers, the functions of actually producing the talk and putting the talker "through it," as an artist or an actor is put through a rehearsal—experimenting testing,

recording and listening back on so on. We have reached the point now where it is not of much use to put on a talker unless he is specifically trained, with the exception of "naturals"—those who have personality which is so inherently good that minor defects are obliterated.

During the period November, 1938 to February 1939, there were five afternoon talks, six talks or interviews in the early evening and five late evening talks each week on the national network. About six regional talks are given weekly on the western network. In addition, there are also several discussion programs and one forum. Through the introduction in January of a lengthened period on Sundays devoted to foreign affairs, known as "The World Today." Right here I should like to make the observation that "The World Today" is a successor to what might almost be called the uni-lateral treatment of the problem. Previously a single speaker dealt with an outline of international affairs, trying to give a detached and impartial view of the state of the world from week to week. Now we have varied that form; and the first variation was to put on three speakers, with distinctive points of view, for a fifteen minute period, the same length as the previous one. Experience proved that the public still felt the need of what you might call the expository form as well as the debate form. So beginning in January we extended the period of "The World Today" from fifteen minutes to thirty minutes. The idea is to present a paper for fourteen minutes with fourteen minutes discussion. As a rough guide—and these things are necessarily approximate—we try to get, at each centre from which we present these "The World Today" programs, protagonists of these three philosophies in international affairs: (a) The Canadian view as distinctive perhaps even to the point of detachment from either the Empire or the world; (b) the imperial point of view, that is, the British Commonwealth view and (c) the collective security point of view inherited from the traditional league of nations conception. It is our endeavour, therefore, to get each week the facts of the international position first of all set out in an exposé or fourteen minute account—a paper in the beginning—and then discussion for the next fourteen minutes, carried on competently, fairly, and, we hope, equally from these distinctive angles. I do not know how successful the result is. Correspondence on that particular subject is not much guide. Correspondence would only do as a guide in case somebody made a first-class blunder. There is no correspondence that is worthwhile giving a considered criticism of the effect of this method.

By Mr. Héon:

Q. Are the scripts submitted in advance?—A. No. There is no censorship.

By Mr. Isnor:

Q. Was it because of a first-class blunder that the change was made in policy?—A. No. It was a natural evolution of the form and also, so to speak, under a wider conspectus. The international position being what it is, I think it is clearly unwise to leave the exposition to one man or one point of view.

By Mr. Slaght:

Q. Mr. Murray, have you any official, who is a paid listener, listening for you and making a report to you on such programs?—A. Yes, we have one part-time paid listener in Halifax; and we have other listeners who are not paid for this but who have to sustain the ordeal of listening as one of their functions of existence.

Q. Are they part of your regular staff?—A. Yes. I will come to that, if I may, on the general subject of consultation of public opinion. The series "Frankly Speaking" is another series in what you might call adventure. We put aside a period each week where specialists of various kinds—perhaps some-

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times doctrinaire, sometimes not doctrinaire—are given the opportunity of advancing their particular views and their solutions of various problems, international and national. Then there are the weekly reviews from New York and London. From London we have had Graham Spry, who is our correspondent, and from New York Raymond Gram Swing. Mr. Gram Swing is an American who, in a recent assessment of public opinion by the BBC—he also contributes to the BBC weekly—to the embarrassment of the BBC and certainly to some of the leading English newspapers, headed the list of the most successful talkers in the United Kingdom. He is their American correspondent. We are fortunate, I believe, in having him as our American correspondent also. A larger amount of time is being devoted to current affairs. The "National Forum" appears to have become one of the better known programs among listeners; that is an endeavour every Sunday evening to present two and sometimes three distinctive points of view on some matter of current interest.

By Mr. Bouchard:

Q. Is there anything similar in French?—A. Yes. In French we have had very great success with "L'Agora du dimanche," the development of which has been one of the characteristics of our activities in the province of Quebec this year, where program development has become distinguished, I think, both by ingenuity and by success.

Mr. HÉON: I think the corporation should be congratulated on that program.

The WITNESS: I should like to pay tribute to my colleague, Dr. Frigon, who has taken this on along with his great burden of operational activities, and who supervises that program as a labour of love as it were.

There is perhaps some evidence of the growing interest in the mimeographed copies of these "National Forum" groups that are prepared and sold to listeners for the nominal price of ten cents. Two hundred copies a week are now being distributed and the demand is increasing. Therefore, somebody must be listening.

By Mr. Bouchard:

Q. Is there any way by which a man could be a subscriber to a certain class of publication? The sending of a ten-cent piece is no easy matter.—A. Well, a subscription plan has not yet been considered, but I should be glad to take it up. The only other talks programs published during the season was the series "Labour Relations" which is a presentation in conjunction with the Workers' Educational Association on Wednesday evenings. I will give you an indication of the variety of subjects listed in the talk schedules. There is included the "My Job" series, interviews with people about their work; "Romance of Medicine," the early history of medicine in Canada, "Canadian Poetry To-day." Then there is "Scrub Oak Hollow," which is a humorous weekly feature by Bruce Hutchison, a journalist of the west who has developed an atmosphere and a character of his own, with a very considerable following; he has peopled "Scrub Oak Hollow" in a way which has become very real to many of our listeners and, in fact, has created a somewhat acute controversy.

By Mr. MacKenzie:

Q. Will you put that out in published form? It is really worthwhile.—A. Well, that has not been suggested until now. Then we have the Cariboo Miner who gives details of the gold rush days. I believe I gave an account last year of the amazing circumstances in which we discovered George MacKerracher, this old timer. He simply came into the station casually in Vancouver about eighteen months ago and said: "I live by myself and have done so for a long time; I have retired from mining and have a story to tell of the old days in the gold rush country." He turned out to be a "natural" and is one of our outstanding radio personalities.

The newest development is with regard to the additional services for the rural population. In cooperation with the Department of Agriculture here we have already begun these services, and it is to go on regionally during the coming year.

The Americans have suddenly discovered that their broadcasting chains have been neglecting the rural population. The matter was taken up by some of the leading journals, particularly the New York Times. It was pointed out that in the United States that 33 per cent of the population live either in the country or in towns of less than 2,000.

Mr. BOUCHARD: What is the proportion in Canada?

The WITNESS: The corresponding figure in Canada is 62 per cent.

Mr. HEON: Rural population?

The WITNESS: Yes. They also discovered that the convention which has become a kind of tyranny in the United States is this: large American chains operate and are putting on their best programs between 7.30 and 10.30 at night, and in doing so they are missing a very large proportion of the rural audience.

Mr. HEON: Because of the hour?

The WITNESS: It is too late; and they have determined that from Vermont, right out to the middle west, particularly in Vermont where this thing has been studied with some care, no programs are really of any value to the rural population if they are put on after 9 o'clock. The best time would be from 6 till 9, or 6 o'clock to 8.30 would be better still. I merely tell you that in passing to show that the needs of the rural population, as such, is a matter of general north American concern.

Our problem is not so much about the evening because our sustaining programs start earlier than the American; consequently we do not miss the rural population. We want midday programs and programs especially directed to the rural population; that is to say, a service of information, up-to-date particulars about the prices of commodities in which they are interested, marketing conditions, and talks that are directed to their particular problems, adapted not only to the time of the year but also to the locality, and also some appropriate music and a home and farm hour.

I had put aside in a preliminary budget an expenditure of about \$75,000 for that particular feature, but alas, by following the procedure, a painful procedure, which I had to elaborate yesterday, I have already had to cut that down to \$35,000. I hope I shall be able to maintain that. In all events, it is to the requirements of the rural population that we are now addressing our attention particularly.

Mr. BOUCHARD: I wish, Mr. Chairman, we could have the opportunity of going further into this matter because I have a few suggestions to offer. I do not wish to interrupt Mr. Murray now.

The WITNESS: The talks that have been given on pronunciation of French by Paul Morin, are one of the most acceptable features of our programs there in the past year.

Mr. BOUCHARD: Very good.

The WITNESS: Then, there are two professors whom I would not willingly overlook, although we suffer a certain amount from fairly vocal prejudice against professors *qua* professors. The complaint has often been made that we have too many professors on the air, but whether that is true or not—

Mr. BOUCHARD: If they are not human.

The WITNESS: I think we must commend the contribution made to our service by some of them. I would refer to Dr. Carleton Stanley, president of

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Dalhousie university, and Arthur L. Phelps of Wesley college, Winnipeg. Mr. Phelps has an engaging personality and the remarkable ability necessary to make his subjects attractive.

Then there is, of course, Dr. Stewart of Halifax and our book reviewers, Professor J. F. Macdonald, Dr. G. G. Sedgewick and Edgar McInnes.

By Mr. Martin:

Q. Is Dr. Stewart given any compensation?—A. Yes.

Q. For his broadcasts?—A. In our talks he acts as presider over the round table discussions, on international affairs, that come from Halifax. He gives his paper, which is then discussed from the imperial point of view by Dr. Clarke and Professor Lower from the detached Canadian outlook.

Mr. BOUCHARD: Professors are all good when they forget they have no university audience.

The WITNESS: Yes. In the nine months from January, 1937, to February, 1938, about 280 different people gave talks or took part in discussions on the CBC network. Comparing this with the same nine-months period a year later, that is from June, 1938, to February, 1939, about 450 different people took part in discussions or gave talks on the networks. That is a more than 50 per cent increase in the number of speakers in those periods. I wish I could say also that the standard of speaking was consistently high. One of the great problems which we have to face is to put on these talks in a way which will be acceptable to the public and still not so offend the speaker that he will refuse to go to the microphone; because it is easier to deal with an artist whose sense of the stage, or sense of the show business, is perhaps inherent, than it is to deal with a university professor who imagines that twenty years of instruction have qualified him for all forms of public speaking.

That, Mr. Chairman, is the general statement. There are other things that I should like to deal with, particularly the royal tour, the Shakespeare series and the consultation of public opinion, and one or two other matters. Perhaps you would not wish me to go further into that to-day?

The CHAIRMAN: I think you have had quite a long session.

Mr. FACTOR: At this point, may I ask Mr. Murray a question? Have you ever thought of going on the air and telling the Canadian people of the tremendous achievements of the broadcasting corporation? What strikes me rather forcibly is this: we have an annual radio committee and we are told all about the tremendous strides that have been made by the corporation; but has the Major ever gone on the radio and spoken to the people along the same lines?

Mr. MACKENZIE: He should give a series of talks.

Mr. HAMILTON: The people do not appreciate your difficulties.

Mr. SLAGHT: I believe a series of talks would be well worth while. Perhaps Major Murray and Mr. Brockington could combine—

Mr. HÉON: And Mr. Frigon.

Mr. FACTOR: As far as I can judge public opinion, I believe there is a tremendous ignorance on the part of the public as to the accomplishments of the radio corporation, and as a result of that some very undue and undeserved criticism has taken place. If the general manager should, by a series of talks, inform the public as to the achievements of the corporation, I think it would be well worth while and in the interest of the Canadian Broadcasting Corporation.

The CHAIRMAN: Many of the public are not aware at all of the difficulties that the corporation has to meet.

Mr. HÉON: I, for one, have learned a lot this morning.

The WITNESS: Thank you. The problem has been this: one has to be extremely careful in dealing with a public such as the listening public not

to give the impression of personal advertisement and all that sort of thing. The broadcaster should be very much in the background; therefore it might be better to employ someone else to do that for us. I believe there is a fundamental objection to any of us doing it. We might obtain a competent journalist or someone else to study the problem and give an exposé of it.

Mr. FACTOR: It ought to be done, in my opinion.

The CHAIRMAN: I do not think the Canadian broadcasting officials should be so modest. I think they should let the public know what they are doing.

Mr. SLAGHT: I should like to make another suggestion which I hope may be helpful, if the manager will entertain it. I should like him, either before he concludes his general exposition to us now, or at a future date, or if it is decided to go on the air explaining radio, to emphasize the vast importance of radio from a nationally patriotic standpoint, in as much as in war time radio would be invaluable to our defence department in Canada. Messages could be sent from Halifax clear across Canada, and would reach headquarters in thirty seconds. There should also be emphasized the great stimulus to loyalty which could be derived from radio. We have the privilege of hearing Mr. Chamberlain on important world events; we have heard His Majesty's voice, and all that makes for empire solidarity and national solidarity. If you do that before you conclude your general statement you might consider referring to the great importance of radio from that standpoint and perhaps compliment the licence payers by indicating to them that they are carrying forward a vehicle which in the event of a European war would make it possible to inform Canada on that phase of it, which would help determine that all-important problem whether or not our country should participate, and in war time itself the magnificent structure that is supplementary to the defence department.

It seems to me if in a quiet way you are able to give to the people who now support this industry by their licence fees, the knowledge that they are making a contribution of that kind to the national well-being, you will do something to allay the irritation which we, as members, find in our different districts against this small fee. That is just a suggestion.

Mr. WOODSWORTH: I am afraid I would have to take some exception to such ideas as those referred to by the hon. member. I think however effective a broadcasting arrangement might be during the war—I recognize it would have tremendous effect—I think just as far as possible we should get the idea of militarization of our young people out of the picture altogether. That is my own personal view, and I would express it as strongly as possible if the occasion arose. There are all sorts of listeners; there are some who are just as strongly opposed to war as there are those who are in favour of war. More than that, we have been considering the fact that radio is a rather peculiar medium. It goes into the homes of all our people, all classes of people. I believe if we for one generation in Canada could get the military idea out of the minds of our youth we would go a long way towards abolishing war altogether. It seems to me what we ought to do in this way more than another is to forget the national boundaries and get the international spirit going. That ought to be one of the primary functions of radio. I would deprecate any move that would in any way tend towards sectionalism in our country or provincialism in our country, or even a narrow nationalism. I have every sympathy with the exposition that has been given by Major Murray with regard to developing the different phases of Canadian life and showing our Canadian people what Canada really is in the wonderful sweep of activities which we have been given to-day; but I believe it will be a serious thing if we should do anything at all that would centre our attention merely on a narrow Canada or a narrow nationalism. We ought to get away from that.

[Mr. W. E. Gladstone Murray.]

If we are going into the other, let us go over and adopt the German method once and for all, instead of what we are trying to develop, a thoroughly democratic Canadian point of view.

Mr. BOUCHARD: Mr. Chairman, following the footsteps of Mr. Woodsworth, from whom I sit across in the big chamber, I would say he is quite right. First of all I believe the best upholders of the British empire are those who speak least about it. That is one point. The second point is that it might irritate some people, perhaps the best upholders of the British empire, to hear too much about it. Let us develop first of all a real Canadian spirit, and I think it will result, if the time should come, into something which will better benefit the British empire than to have a divided Canada which is not prepared to follow, if an uprising should take place. As Mr. Murray pointed out, and as Mr. Woodsworth stated, we should concentrate our efforts on developing the cultural and national life of Canada, but not to a point of antagonizing others.

Mr. HAMILTON: I should like to point out to Major Murray that more than one person to whom I have spoken and asked—who seemed critical of the CBC—“would you be satisfied to have our Canadian radio merely an outlet for American stations and big networks”—have said: “Why certainly, what is the difference? What difference is there between the CBC and getting the programs from the United States?” I do not believe the Canadian people appreciate the advantages that Major Murray has so ably outlined this morning. I think it ought to be brought home to them that Canadian radio is a medium of interpreting Canadian viewpoints, Canadian scenes and Canadian ideas and everything else. I believe many of them would not appreciate what they were missing as a national asset until it was gone. If our people realized the advantages to be derived from building up Canada through its national broadcasting system as compared with the possible harm that may be done by simply allowing it to become an outlet for distributing programs and ideas emanating in the United States, they would not allow that change to take place.

By saying that I do not want to be understood as being critical at all of United States ideas. We have very much in our own country to enjoy, and we ought to concentrate our efforts towards the building up of the things that are typically Canadian. I believe the CBC can do that. That is not sufficiently realized by our people, nor is its importance realized.

The CHAIRMAN: I believe another thing should be emphasized, and that is this: the CBC should tell the public the number of artists they employ and the remuneration which they receive. The public often say the Canadian Broadcasting Corporation receives a revenue of \$3,200,000, what do they do with it? The public should be shown the money has been spent on programs and artists, and what the CBC is doing in developing Canadian artists.

Mr. BOUCHARD: That should be compared with what would happen if we were left in the hands of the commercial interests.

The WITNESS: The impression I get is this: it is the common feeling of the committee that our publicity is inadequate. I think that is a right conclusion.

Mr. SLAGHT: Mr. Chairman, may I have a word to correct the impression that Mr. Woodsworth gained from what I said? If he will take the trouble to read what I said when the report is issued, he will find that nothing I said was intended to encourage improper militarization of the minds of the young men of Canada. All I said was to emphasize the great value of radio in time of stress as a medium to disseminate rapidly information on world conditions in order to enable Canadians to determine what the duty of Canada was from every standpoint so far as possible war or participation in war is concerned. To put our heads in the sand and say that we must not let the people of Canada

know what world conditions are, what the empire may or may not be involved in, what Canada may or may not be called upon to determine, would be a very inadequate principle if we were carrying it out. We are increasing our defence appropriations unanimously, and we are taking precautions instead of sitting back and being caught unawares; and radio to my mind is an all-important factor in a possible defence course. If the gentleman will agree to what I said he will see that there is nothing beyond that.

Mr. HEON: Mr. Chairman, I want to say that I subscribe to Mr. Bouchard's remark to the extent that I acknowledge that national radio to my mind is the most important asset to the spread of a broad Canadianism and a true national spirit.

The CHAIRMAN: Gentlemen, Major Murray has a short statement that he wishes to make.

The WITNESS: It is with some diffidence that I read this communication. It is from Ira Dilworth, the regional representative in British Columbia, and it is dated at Vancouver, March 3, 1939. The letter reads as follows:—

DEAR Mr. Murray: Yesterday morning the usual school broadcast at 9.30 was cancelled and classes listening to CBR heard an account of the election of the Pope from Rome.

A Vancouver teacher asked her class to give their impressions of what they had heard. I am enclosing a copy of a ten-year old's composition.

The composition reads as follows:—

On March the second the new Pope Pius the XII was elected. All the bells of the five hundred or more Catholic churches were ringing at about six-thirty. When the new Pope's are elected they have their foot kissed. Pope Pius the XII's foot was kissed at six-thirty in Rome. His real name is Puchelli. It was on the CBR prodecasting corporation. CBR rented it from the National Brodcasting Company as they did not have the money the National Brodcasting Company has.

The CHAIRMAN: Gentlemen, I have a letter from Mr. Brockington, Chairman of the Canadian Broadcasting Corporation, dealing with an amendment that was passed here yesterday. I think I should read this communication:—

March 17th, 1939.

A. L. BEAUBIEN, Esq., M.P.
Chairman, Radio Committee,
House of Commons,
Ottawa, Ontario.

DEAR Mr. Chairman, I wish to acknowledge on behalf of the board of governors of the Canadian Broadcasting Corporation the resolution concerning beer and wine advertising passed by the committee at yesterday's session.

In accordance with a suggestion which you have made, I am submitting the following information.

My evidence before the committee indicated that there was considerable public reaction to the following three phases of this question, and some consequent confusion resultant thereon;

- (a) The propriety or impropriety of forbidding the radio advertising of beer and wine as such;

[Mr. W. E. Gladstone Murray.]

- (b) The natural fear of artists and announcers that their incomes may be seriously affected in case of the cessation of these programs;
- (c) The fear of a number of listeners that programs which now give them pleasure may be lost if sponsorship by breweries is withdrawn.

With reference to the question of the proposal of forbidding beer and wine advertising on the radio, I have received communications of approval from the following societies, amongst others:—

Chevaliers de Colomb de Montréal,
 La Société de Temperance de Rimouski,
 La Société St. Jean Baptiste de Rimouski,
 Congrès de Langue Francaise, Université Laval de Québec,
 L'Association Catholique de la Jeunesse Canadienne Féminie de Québec,
 La Défense Nationale, Montréal,
 ACJC, Québec,
 Voyageurs de Commerce, Sherbrooke,
 Société St. Jean Baptiste, Québec,
 Ligue des Patriotes de Québec,
 Journal 'La Boussole,' Montréal,
 Société Médicale du Faubourg St. Jean, Ville de Québec,
 Jeunesse Ouvrière de Québec,
 Réveil Economique de l'Est, Montréal,
 Société Saint Jean Baptiste, Ste. Cécile de Valleyfield,
 Action Economique Canadienne Francaise Jacques Garnier, Montréal,
 Ligue des Intérêts Nationaux de Rimouski,
 Société St. Jean Baptiste, Sherbrooke,
 L'Action Catholique, Ville de Québec,
 Dames Canadiennes Francaises, Sherbrooke,
 La Ligue Catholique Féminine du Canada, Ville de Québec,
 5,000 Membres du Conseil Central, Sherbrooke,
 Ligue des Intérêts Canadiens, Montréal,
 La Ligue des Intérêts Nationaux, Ville de Québec,
 U.C.C. Diocese, Sherbrooke,
 Jeunesse Catholique des Patronages, Levis.

The board of governors, at its meeting to be held in Montreal next week, proposes to devote the Monday session to hearing delegations who have views to present on this matter. The Artists' Associations have expressed their desire to place their views before us at our meeting in Montreal. Representatives of the following societies wish to appear before us in support of the projected ruling of the board.

Les Societies de Saint Jean Baptiste,
 La Societe de Saint Vincent de Paul,
 La Societe des Voyageurs de Commerce,
 L'Association Canadienne de la Jeunesse Catholique,
 Le Federation des Ligues du Sacre Cœur,
 Quebec Temperance League, and others.

We have not heard whether the breweries themselves wish to make any representations.

The board, consistently with its duty to regulate broadcasting in accordance with the provisions of the Act will, of course, give all those interested, as far as possible, an opportunity to express their views.

I shall also direct to the attention of my fellow governors the terms of the committee's resolution. Until the board has had an opportunity of collating what additional facts are available after the discussions to be held in the city of Montreal, I feel certain that the committee does not wish any further pronouncement by us at the present time.

I have the honour to remain,

Yours faithfully;

LEONARD W. BROCKINGTON,
Chairman.

Mr. HÉON: He is very fair.

Mr. ISNOR: Mr. Chairman, although it is ten minutes past one I just wanted to make one observation before we adjourn in view of the statements as presented by Mr. Murray this morning relative to the activities of programs, etc. I like the thought advanced by Mr. Factor; I think he is to be complimented for bringing it to the front, because I believe from expressions heard from the other members there should be more publicity given to the activities of the CBC and its real value to Canada as a nation.

I am going to be just a little critical in regard to the programs, and I trust I will not be misunderstood. Mr. Martin mentioned expressions that he had heard from listeners as to our programs, and as to whether we could do away with the CBC, or the CBC being used as an outlet for American programs. I have heard that quite often, and I am wondering whether the CBC is covering too broad a field in the matter of programs; whether it would not be better for the CBC to concentrate on a higher grade of program, still keeping the popular thought to the front instead of following the regular American idea of covering a very large field. I do not wish to enlarge on that on account of the lateness of the hour. I think what I have in mind is clear.

To-day in business I think the most popular stores, or the most progressive stores, are those stores which are specializing in certain lines, as in every field of labour and activity. I would therefore suggest that perhaps the CBC could place itself in the foremost position throughout the world if we lessened our activities with regard to programs.

Mr. HAMILTON: Any criticisms I have are very limited and just along the lines I mentioned. I should not like there to be any misunderstanding as to my position.

Mr. MACKENZIE: I think the difficulty as regards the listeners is that there is confusion rather than ignorance in their minds as to what are private stations and what are CBC stations. I know that in Winnipeg many programs are taken for CBC programs which are not really CBC programs at all. They do not know. A series of talks by the broadcasting corporation, I think, would do a great deal towards clearing that matter up.

Mr. MARTIN: As to procedure, Mr. Chairman, I presume that Major Murray is coming back, because these gentlemen have been speaking for areas that get CBC programs; I speak for an area which does not get them at all, and that possibly explains my position.

The CHAIRMAN: I think Mr. Murray explained that pretty well yesterday, Mr. Martin, that he is going to give you some coverage.

Mr. MARTIN: I wish to go into the whole aspect, the French aspect as well.

The CHAIRMAN: Before we adjourn I should explain that the board of governors are meeting in Montreal on Monday; naturally Mr. Murray and Dr. Frigon will have to attend that meeting. I understand the meeting will probably

[Mr. W. E. Gladstone Murray.]

last for three days, if the letter which I have just read from Mr. Brockington is any indication of the representations that are going to be made to them at that meeting.

Mr. SLAGHT: Why do we not go on with the accountant. Mr. Rush will probably take a full morning.

Mr. BOUCHARD: Yes, on the collection of licence fees.

The CHAIRMAN: Is it your pleasure, gentlemen, that we meet Tuesday and have Mr. Rush here?

Mr. MARTIN: Carried.

(At 1.15 p.m. the committee adjourned to meet again on Tuesday, March 21, 1939.)

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SESSION 1939

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

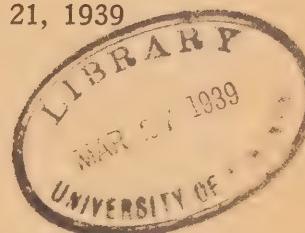
MINUTES OF PROCEEDINGS AND EVIDENCE
No. 9

TUESDAY, MARCH 21, 1939

WITNESSES

Mr. W. E. Gladstone Murray, General Manager, Canadian Broadcasting Corporation

Mr. W. A. Rush, Controller of Radio, Department of Transport



OTTAWA
J. O. PATENAUME, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

MINUTES OF PROCEEDINGS

TUESDAY, March 21, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bertrand (*Laurier*), Bouchard, Hurtubise, Isnor, Johnston (*Bow River*), Lawson, MacKenzie, (*Neepawa*), Martin, Ross (*Moose Jaw*), Slaght, Stevens, Thompson, Turgeon, Woodsworth.—15.

In attendance:

Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;
Mr. H. W. Morrison, Program Department, Canadian Broadcasting Corporation;
Mr. R. E. Keddy, Secretary to General Manager, Canadian Broadcasting Corporation; also
Mr. W. A. Rush, Controller of Radio, Department of Transport, and Commander C. P. Edwards, Chief of Air Services, Department of Transport.

Mr. MacKenzie (*Neepawa*) called the attention of the Committee to a front page editorial appearing in the Toronto *Globe and Mail* of Saturday, March 18th, 1939.

Discussion followed.

Mr. Gladstone Murray was recalled and presented a factual statement in regard to the editorials appearing in the Toronto *Globe and Mail* and the Toronto *Telegram*, and also the apologies appearing in both newspapers regarding statements made by them in regard to the broadcasting of the speech of the Prime Minister of England, the Right Honourable Neville Chamberlain, at Birmingham, England, on March 17th, 1939.

Mr. Murray retired.

Mr. W. A. Rush, Controller of Radio, Department of Transport, was called.

Mr. Rush presented to the committee a statement in regard to the methods of collecting radio fees and the cost of so doing as well as the amount realized. He was questioned by the following members of the committee: The Chairman, Mr. Turgeon, Mr. MacKenzie (*Neepawa*), Mr. Bouchard, Mr. Martin, Mr. Isnor and Mr. Lawson.

The Chairman read telegrams from Mr. Aimé Geoffrion, K.C., of Montreal, Mr. Lefebvre, Montreal, and Mr. Walter Murdoch, of Toronto.

Ordered,—That the clerk acknowledge same and inform Messrs. Geoffrion and Lefebvre that the committee cannot hear them on Thursday next, as they request, but will hear their submissions at an early date of which they will receive due notification.

The committee adjourned to meet again on Friday, March 24th, 1939, at 11 o'clock, a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

March 20, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. Arthur Beaubien, presided.

The CHAIRMAN: Well, gentlemen, will you kindly come to order.

At our last meeting I think it was understood that we would discuss the question of licence fees and methods of collection, and that for that purpose we would have before us to-day Mr. W. A. Rush, of the Department of Transport, who is in charge of that phase of the work. Mr. Rush is here this morning.

Mr. MACKENZIE: Before you go on with that, Mr. Chairman, there is a very important matter which has been brought to my attention with regard to the Canadian Broadcasting Corporation. On Saturday morning last there appeared an article in the *Toronto Globe and Mail*—

Hon. Mr. STEVENS: Where was that printed?

Mr. MACKENZIE: It appeared on the front page of that paper. It makes very serious charges against the Canadian Broadcasting Corporation, and I believe this article calls for a very full explanation. Mr. Gladstone Murray is here, and I think he should be called upon to make that explanation.

The CHAIRMAN: What article do you refer to?

Mr. MACKENZIE: An article appearing in Saturday's issue of the *Globe and Mail*. I think probably in the interest of all concerned I should place it on the record.

The CHAIRMAN: Is it very long?

Mr. MACKENZIE: No, it is not very long.

Mr. MARTIN: I believe the *Globe and Mail* made its apology and corrected the situation in its issue of Monday.

The CHAIRMAN: Perhaps you had better read the article.

Hon. Mr. STEVENS: Like most articles appearing in the papers, one reads the article and it makes a definite impression on one's mind, but one never sees the explanation or retraction.

Mr. MACKENZIE: I will put the article on the record. It is an editorial taken from the *Globe and Mail* issue of March 18, 1939, and it reads as follows:—

CBC GETS SPEECH EXPLAINED

Canadians who listened to Prime Minister Chamberlain's Birmingham speech over a network of Canada's publicly owned Broadcasting Corporation found his enunciation clear and the words he used quite familiar. We believe they were intelligent enough to understand what he said.

But the Canadian Broadcasting Corporation seemed to think it necessary to have an introductory explanation and a concluding interpretation by a German-American commentator. He was given free time on the Canadian network to express his opinion of the address.

This cannot pass without observation. Mr. Kaltenborn took it on himself to tell his audience that, in the first place, the speech was an apology and explanation as to why the British Prime Minister had not

previously and more vigorously reacted to what the Germans did in Czechoslovakia. Was it an apology to say that hundreds of thousands of homes had been saved from mourning by the course taken last autumn? We find nothing else in the address coming closer to an apology.

In our opinion, Canadians who heard this interpretation were shocked at the Canadian Broadcasting Corporation's temerity in inviting this sort of comment for Canadian people.

When the people of this country listen to the Prime Minister of Great Britain, they don't need an interpretation. They don't require an American to explain it. They are not paying their fee of \$2.50 a year to enable the Corporation to surround a British speech with German-American dogma. If Mr. Chamberlain's review of affairs was to the commentator an apology, it was to them an adequate explanation of the wisdom of his course.

Chairman Brockington is having a hard time explaining why he discriminated against sound British-Canadian opinion, to be paid for, over a privately owned network. Can he explain why free time is granted on the publicly owned network to publicize a German-American's opinion of a British speech?

Is it the policy of the Corporation and the Government appointing it to compel Canadians to see things British only through American eyes? Most Canadians will resent this treatment, but it seems to be what they are paying for.

Most Canadians will resent this treatment, and it seems to me to be an article of a type that calls for comment, particularly the last part of that article. We are now carrying on an investigation with respect to this matter and I think we should have some comment.

The CHAIRMAN: I may say, Mr. MacKenzie, that Mr. Gladstone Murray is here this morning and has a statement to make to the committee with respect to it.

Mr. MARTIN: I think, before Mr. Murray is called, that I should call attention to the fact that on Monday the *Globe and Mail* in an equally prominent place published a retraction; and I think that also in fairness that should go on the record.

The CHAIRMAN: I think Mr. Gladstone Murray is here and probably he could give some explanation.

W. GLADSTONE MURRAY, General Manager, Canadian Broadcasting Corporation, re-called.

The WITNESS: Mr. Chairman and gentlemen: It is with some reluctance that I undertake the responsibility of answering this question. I shall hope to minimize comment and speculation.

The committee will recall that towards the end of its proceedings at the last meeting, that is on Friday, March 17, there was an exchange of views on certain aspects of broadcasting policy affecting national unity in times of crisis. It so happens that a few hours after the deliberation of the committee had ended last Friday, the CBC in the normal course of its standing arrangement with the BBC cleared the national network in Canada to carry to the Canadian people the address of the Right Honourable Neville Chamberlain, Prime Minister of the United Kingdom, speaking in Birmingham, in response to the toast to his health at a banquet celebrating Mr. Chamberlain's birthday. It had been indicated that Mr. Chamberlain's address would be a pronouncement of first-class importance not only to the British Commonwealth of Nations but also to the world at large. Accordingly, arrangements were made with the BBC to

[Mr. W. E. Gladstone Murray.]

give this important pronouncement widest possible distribution in Canada. In addition to all CBC transmitters, the speech was made available to all other transmitters in the Dominion. The speech delivered at Birmingham was carried by land line to Daventry where are situated the high-power short-wave transmitters of the BBC Empire Service. From Daventry, the speech was radiated to the world, with directional antennae to Canada and other parts of the British Commonwealth. Conditions of reception were remarkably good. Mr. Chamberlain's speech came through with almost perfect clarity. It was picked up at the CBC short-wave receiving station near Ottawa and distributed by land line throughout Canada without comment or interpretation, there being, of course, the customary courtesy acknowledgments to the BBC. Over sixty stations in Canada carried Mr. Chamberlain's address.

Unfortunately, in one case there is a complaint from a listener that a privately owned station in the west to which the speech was fed did not carry it in its entirety. There is to be an investigation of that.

United States broadcasting chains make their own arrangements for dealing with speeches of this kind. The Columbia Broadcasting System normally employs its chief foreign commentator, Mr. H. V. Kaltenborn, to interpret and explain such speeches.

By Hon. Mr. Lawson:

Q. What system was that to which you referred?—A. To Mr. Kaltenborn of the Columbia system.

Q. That is the Columbia network?—A. Yes, the Columbia Broadcasting System.

I would like to take this opportunity to pay a tribute to the ability and the distinction with which Mr. Kaltenborn conducts his commentaries. By paying this tribute to Mr. Kaltenborn as an outstanding broadcaster, I make no comment on his opinions or on his attitude; moreover, I make no comment on the policy or attitude of his employers, the Columbia Broadcasting System, with which, as with the other American chains, our relations are of uniform cordiality and mutual respect. Mr. Kaltenborn naturally views international affairs from a distinctively American standpoint. Both he and the Columbia Broadcasting System are entitled to the credit of sincerity and good faith in their handling of such matters from the standpoint of American public policy.

I might observe in passing that Mr. Kaltenborn is a distinguished graduate of Harvard university. He was invited not long ago to lecture in Toronto under the auspices of the League of Nations Society in Canada. I understand that he also appeared in Montreal on February 15th under the auspices of the Canadian Club; and that with regard to his address in Toronto more persons paid to listen to him than to any previous lecturer in Massey Hall, and that there was a considerable and impressive gathering of private citizens on the platform. I have gone out of my way to pay this tribute to Mr. Kaltenborn and to the Columbia Broadcasting System in order to off-set the possible effect of some disparaging comment which has received currency in Canada during the past few days. I did not hear what Mr. Kaltenborn had to say about Mr. Chamberlain's address; it was no concern of mine. In any event, it would not be carried by the Canadian Broadcasting Corporation. This would have been entirely inappropriate. It so happens, however, that there are in Canada two outlets of the Columbia Broadcasting system; namely CFRB, Rogers Radio Broadcasting Company Limited, of Toronto; and CKAC, La Presse Publishing Company of Montreal. These stations are tied to the Columbia System and, in the ordinary way when they do not have commercials which they have sold, or sustaining programs of their own, they carry the sustaining service of Columbia. On occasions such as this, that is occasions which we regard as of first-class public importance, the CBC offers its service to all Canadian stations. There was a specific offer of Mr. Chamberlain's

speech on our service to CFRB in Toronto. This offer was acknowledged with thanks by the management of CFRB which, however, preferred to take the Columbia service; that being more in accordance with their routine procedure. I do not know whether there was a specific offer to CKAC, but at all events, our service was available if they so desired it and, of course, at no cost. That was on Friday afternoon last. What I have given you so far is a statement of fact and I do not think that there has been anything unfair or biased in my explanation of this statement.

The next event in this curious chain of circumstances was on Saturday morning. In order that you may have all the facts and be able to weigh issues with complete impartiality, I am producing the various references in the newspapers. The first has already been read to you and is on the record. It was a front page editorial which was published on Saturday morning in the *Globe and Mail* newspaper of Toronto. It was a violent criticism of the Canadian Broadcasting Corporation based on a demonstrable and now admitted untruth.

After that statement was brought to my attention it was also reported that at 8 o'clock on Saturday morning from station CFRB a news broadcast was given which is normally described with this preliminary announcement:—

The makers of Alka Seltzer, those friendly effervescent tablets, bring you your "Telegram talking reporter, Jim Hunter, with up-to-the-minute news of the world. Jim Hunter:

In that broadcast was repeated the statement that the Canadian Broadcasting Corporation had carried Mr. Kaltenborn and was subject to criticism for so doing.

By Mr. Martin:

Q. Just a moment; Jim Hunter is a news broadcaster, is he not?—A. Yes, on station CFRB for the *Toronto Telegram*.

Q. And he was criticising the CBC?—A. Yes. I am not saying that Mr. Hunter used these exact words, but I believe this is a fair account of his observations—

Some criticism has been levelled at the CBC for permitting introductory remarks to Mr. Chamberlain's speech over Canadian stations by the American commentator, H. V. Kaltenborn. Following the talk from Birmingham, Mr. Kaltenborn was again given time to explain what he thought of the address. Those passing criticism feel Mr. Chamberlain's speech needed no interpretation—certainly not from an American.

There were only two stations in Canada which carried this material and one of those was in Toronto, but you will observe that listeners to Mr. Hunter would be entitled to presume that CFRB had not carried the broadcast.

Then, the rising tide of indignation began to spread. Telegrams of protest and messages of various kinds poured in to our offices and a denial was duly drafted and circulated. The facts were stated and reworded to what I have already read to you.

Unfortunately, in taking counter measures to check the spread of the untruth, I was handicapped, first of all by the fact that the Canadian Press facilities were not available for a contradiction. I make no criticism of this regulation. I think perhaps it is a sound one. The Canadian Press have a rule that they do not issue a denial of any statement which they have not already circulated. This is probably right and appropriate, but it did face me with a considerable obstacle in trying to overtake the falsehood. In view of the seriousness of the situation, I immediately instructed our legal representative in Toronto, Mr. John Jennings, K.C., to take what action the circumstances demanded without delay.

In the meantime the *Toronto Evening Telegram* followed up the attack. The *Evening Telegram* in its main editorial on Saturday, an editorial which,

[Mr. W. E. Gladstone Murray.]

because of its serious implications from the point of view of public necessity and the prolonged discussions about the licence fee and so on, which have been dragged into this as is usual by those who seem to have a distinct aversion to any form of public service broadcasting, I wish to read:—

(*Toronto Telegram, Mail Edition, March 18, 1939.*)

CANADA NEEDS NO ADVICE FROM COMMENTATOR H. V. KALTENBORN.

By way of introduction to the speech of Rt. Hon. Neville Chamberlain yesterday, Columbia's commentator referred to President Roosevelt's comments on the rape of Czechoslovakia and declared that the United States had always taken the lead in opposing Hitler's lawlessness. He instanced the recall of the U.S. ambassador from Berlin some weeks ago, whereas the British ambassador was recalled only the day before yesterday. The listener gathered from Mr. Kaltenborn's remarks that the Prime Minister was a shrinking weakling who hesitated to take any action until he was prodded from Washington. It was with almost paternal impatience that Mr. Kaltenborn added that some firmness was to be expected from Mr. Chamberlain in his Birmingham speech.

When Chamberlain had concluded, the commentator came upon the air again to interpret his statement, although to anyone past the Kindergarten no interpretation was necessary. Mr. Kaltenborn explained that Mr. Chamberlain's remarks about Munich were almost an apology. If he had had time to consider what Mr. Chamberlain had said, even Mr. Kaltenborn would probably have recognized that Mr. Chamberlain's remarks about Munich were to clear away such misunderstandings as those which still cloud the outlook of Columbia's commentator. Later in the evening, in conversation with a correspondent in London, Mr. Kaltenborn pursued his belittlement of Chamberlain and suggested disappointment that the Prime Minister had outlined no policy and had not been more definite. He would have done better if he had explained what policy was contained in anything proceeding from U.S. statesmen, and had expressed regret that there was no sign of definite action from Washington.

It is a matter of regret that this gentleman should be given the opportunity to muddy the waters between Britain and the United States by his broadcasts over a United States network. It is shocking that such remarks should be brought in over Canada's national networks to insult the intelligence of the Canadian people. If it is the idea of the CBC that United States intervention is necessary to interpret Britain to this country, it is obviously time for a change of management of Canada's national radio system.

Canadian listeners would prefer the ripe understanding of a Beverley Baxter to the alien sneers of H. V. Kaltenborn. To have to pay \$2.50 a year to help promulgate Mr. Kaltenborn's misunderstandings is bitter medicine for Canadian listeners.

That, Mr. Chairman, was the comment of the *Toronto Telegram* on the untruth which had been published on the front page of the *Globe and Mail* of Toronto.

I said, in view of the seriousness of the situation Mr. John Jennings was instructed to take action the circumstances seemed to demand, and without delay Mr. Jennings communicated with both newspapers, and he was assured that there would be an adequate denial, retraction and apology in the next issue of the paper. The *Evening Telegram* acted rapidly; indeed, in their last issue of Saturday they revised the editorial deleting reference to the licensee

fee, eliminating reference to the necessity for a change of management for the Canadian Broadcasting Corporation, and generally directing their criticism to Mr. Kaltenborn, and to the American network; and of course, that is a perfectly proper and adequate criticism, so long as it was a statement based on fact. In complete fairness to the *Evening Telegram* I should state that in the adjacent column of their last issue on Saturday they published this:—

Gladstone Murray, General Manager of the Canadian Broadcasting Corporation, issued a statement taking issue with a statement made in a front page editorial of the *Globe and Mail*, pointing out that the CBC carried Mr. Chamberlain's speech "without comment or explanation." The two outlets of the Columbia system in Canada, CFRB and CKAC, Montreal, carried Mr. Chamberlain's speech with "explanatory interpretations" by Mr. Kaltenborn, Mr. Murray explained.

Well, that was the situation on Saturday night. The *Evening Telegram* had responded with all the alacrity that it could and was attempting to make amends. It remained therefore to see what would happen on Monday morning.

Hon. Mr. LAWSON: Excuse me if I am interrupting, but I noticed the repetition of a news article in last night's *Telegram* again correcting the error, and so forth.

The WITNESS: Yes.

Hon. Mr. LAWSON: It was not an editorial, it was a news item headed in bold-faced type.

The WITNESS: I am coming to that item published on Monday.

Now, the additional fact is that Mr. McCullagh has written a letter of personal apology to Mr. Brockington, the chairman of the Board of Governors. In fairness to the *Globe and Mail*, I wish to read to you the retraction statement which was put in exactly the same position on the front page and was headed up with the same weight of type, the heading reading:—

AN INJUSTICE TO CBC

In a front page editorial on Saturday The *Globe and Mail* stated that the Canadian Broadcasting Corporation had given free time on a network to Mr. H. V. Kaltenborn, United States commentator, to explain and interpret Prime Minister Chamberlain's Birmingham address to Canadian people.

This was untrue, and an injustice to Chairman Brockington and the CBC management, which The *Globe and Mail* wishes to correct as clearly as it can.

The Broadcasting Corporation had nothing whatever to do with bringing Mr. Kaltenborn's comment to the ears of Canadian listeners. It was carried by CBS, the Columbia Broadcasting System, reaching Canadians through CFRB of Toronto and CKAC of Montreal, privately owned stations. The Corporation brought Mr. Chamberlain's speech direct from England without comment or explanation.

We are obliged to say, however, that the misinformation on which the article was based was received from the CBC studios in Toronto in reply to a telephone inquiry.

Hundreds of complaints reached this office from persons who heard Mr. Kaltenborn refer to part of the Prime Minister's address as an apology, but we wish to emphasize that the Canadian Broadcasting Corporation was not responsible.

Now, that was the retraction, the apology, of the *Globe and Mail*. There is one paragraph in it to which I would refer a little later. I would like now [Mr. W. E. Gladstone Murray.]

to read the retraction and apology from The *Evening Telegram* newspaper. It is headed:—

EDITORIAL ATTACK ON CBC REGRETTED AND WITHDRAWN
Comment on Premier Chamberlain's Speech Supplied Only by United States Radio System

The *Evening Telegram* sincerely regrets mentioning editorially in Saturday's early edition that the Canadian Broadcasting Commission's stations carried remarks of H. V. Kaltenborn, Columbia's commentator, on Rt. Hon. Neville Chamberlain's world-wide address. Actually none of the CBC's stations carried this commentary and the *Telegram* was quick to correct the editorial upon learning that the story carried in the first edition was erroneous.

Then they give the statement issued by the CBC. So far as the *Evening Telegram* is concerned that disposes of the issue.

Coverage, however, is so great under existing facilities that it is very difficult indeed to catch up with an untrue statement like this, and it was suggested to me seriously that I should use the network of the Canadian Broadcasting Corporation to issue a denial which would be heard by listeners generally throughout Canada. After most careful consideration, and taking into account the promises of denial and apology, I decided against that course; to have followed it would certainly have been a departure in policy so far as I am concerned. That is one of the reasons why I decided against such a measure, preferring not to involve the whole listening public in this matter but to rely on those journals which were directly concerned to help us in correcting the untruth; because presumably the standards of journalism and the interest of the public would be recognized by the newspapers, and they would try to do the best they could to undo the harm.

I now return to the paragraph in the retraction of the *Globe and Mail*:—

We are obliged to say, however, that the misinformation on which the article was based was received from the CBC studios in Toronto in reply to a telephone inquiry.

Now, there has been a most careful and detailed investigation. Every member of the staff who possibly could have been involved in answering any telephone inquiry even remotely relating to that subject has been cross-examined, not only at our studios but at our other offices in Toronto, and the result is that there is not one sign or suggestion of evidence that that statement is true. Affidavits are being prepared and in due course will be presented in the hope that if there is any evidence to support that statement it will be brought out.

By Mr. Martin:

Q. What is that statement again—A. "We are obliged to say, however, that the misinformation on which the article was based was received from the CBC studios in Toronto in reply to a telephone inquiry."

Mr. BERTRAND: I presume that if your investigation shows that some person did make a statement of that kind you will take the necessary action to deal with the case?

The WITNESS: Yes. That inquiry will be made to-day. As soon as the inquiry is finished if that information turns out to be misinformation provided from the CBC, then the apology might really be considered as a trap laid for the newspaper, or as something which reflected on the efficiency of the staff. Therefore, if that statement is true we are considerably to blame. If it is untrue the value of the retraction and apology is largely, in my opinion at all events, vitiated.

Mr. BERTRAND: If that is so, if it is true that some one on your staff did make such a statement, I presume you would take appropriate disciplinary action, would you?

The WITNESS: Yes.

These are the facts, Mr. Chairman; and I would like to make this final comment: You will observe that in both of these editorial attacks the licence fee was aimed at, and an attempt was made to stir up antagonism to the licence fee; this is a curious characteristic of the policy of certain newspapers whenever they find out something which they think deserves criticism—and Heaven knows there is enough that deserves criticism; I am the last one to lay any claim to infallibility—they invariably turn to this form of attack. I have tried to put this case fundamentally and without any unnecessary comment. I think a matter of public importance is involved, and I hope that what I have said may add to the information which you have available for considering other and perhaps kindred problems, not the least being the necessity for more adequate publicity for the work of the CBC.

By Hon. Mr. Stevens:

Q. Mr. Murray, I gather from your remarks that you purpose pursuing this matter to a conclusion?—A. Yes.

Q. And if it is disclosed that such information came from an officer of the CBC that the individual responsible will be dealt with, I should think, in a summary manner?—A. Certainly.

Q. On the other hand, if the contrary is demonstrated, then you will expect a more complete correction on the part of the publication concerned?—A. That is right.

Mr. Ross: I think, with regard to the latter point, as Mr. Stevens has just said, without doubt publicity should be given to it. After all, this newspaper in question for some time has been carrying on a campaign of the cheapest kind of criticism of everything in connection with parliament and the members of parliament. I think there has been too much publicity already given to a gentleman who is nothing but a front man for a hundred million dollars in Toronto.

The WITNESS: If I might make one further observation, just in case there might be any suggestion of malice on our part towards this newspaper, I would like to place these facts on the record indicating the attitude of our corporation toward the *Globe and Mail* newspaper. I may say that we have gone out of our way to be friendly with the *Globe and Mail* during the past two years. We did our "Night-shift" actuality broadcast of a newspaper office from the *Globe and Mail* shortly after the "*Globe*" was amalgamated with the "*Mail and Empire*." We might have chosen several other newspapers in Canada such as the *Gazette*, the *Standard of Montreal*, the *Toronto Star*, the *Ottawa Journal*, the *Halifax Herald* or papers of that kind. May I add that we also broadcast the opening of their new building in Toronto last year. In addition to that, last year we co-operated with the *Globe and Mail* in a national broadcast of the King's Plate horse race, which was received also by the National Broadcasting Company. In the course of that broadcast we made use of members of the *Globe and Mail* reporting staff as commentators and gave them full credit. A similar broadcast is planned again this year. In fact, provisional arrangements have already been made, and I hope the broadcast will be as successful and as interesting to listeners as were its predecessors.

Hon. Mr. LAWSON: Mr. Chairman, lest it might go out in the press as an expression of opinion of this committee, I wish to put myself on record as entirely disagreeing with the statement made a few moments ago by a member of this committee, Mr. Ross. I hold no brief for the Leadership League. I am not

[Mr. W. E. Gladstone Murray.]

a member of it. I know no more about it than any other member of this committee or this parliament. Whether it meets with a measure of success in its objective remains to be seen. But I do think that it has at least awakened public consciousness to national problems and national questions, and if its justification is that it may result in an intelligent and enlightened electorate, if it does that, I will guarantee to give you a government, no matter what party may be in power. Now, I think my friend, Mr. Ross, on reconsideration might withdraw that word "cheap"; because, you see, he followed it with an immediate demonstration of something which I will not attempt to classify by a word which might be particularly applicable; namely, he made reference to the editor of the *Globe and Mail* as being a front man for a hundred million dollar millionaire, or something, in Toronto. Now, let us at least be fair. There can be only one conclusion drawn from that inference, from the publicity which may be given to that statement in the press of this country, everybody knows that old Bill Wright was a fellow who started in the mines with nothing—

Mr. MARTIN: You are only making it worse now. Mr. Ross mentioned no names at all.

Hon. Mr. LAWSON: There was a direct reference to him.

Mr. MARTIN: He referred to a hundred thousand dollar millionaire in Toronto.

Mr. Ross: I did not say that; I said, a front man for a hundred million dollars in Toronto.

Hon. Mr. LAWSON: Let us make it clear, that hundred million dollars refers to the gentleman who is the owner of the *Globe and Mail*, a very fine Canadian.

Mr. Ross: Oh.

Hon. Mr. LAWSON: Yes, oh.

Mr. WOODSWORTH: Why broaden the whole discussion and take this in now?

Hon. Mr. LAWSON: Simply because I refuse to allow this statement to go out to the public unchallenged.

The CHAIRMAN: I do not think we should have any very lengthy discussion. I think that all Mr. Ross had in mind was to bring attention to the fact that a certain newspaper man was using methods tending to discredit the work of this committee.

Hon. Mr. STEVENS: Mr. Ross does not speak for this committee, in any case.

Mr. Ross: No, Mr. Chairman, I am speaking for myself.

The CHAIRMAN: Are there any questions for Mr. Murray?

By Mr. Martin:

Q. You have referred to a letter from Mr. McCullagh which was sent to Mr. Brockington. I do not suppose that Mr. Brockington gave you any authority to produce that letter to us here?—A. It was a personal letter. I think Mr. Brockington made mention of it. It was received in Montreal last night. I thought that in dealing with all the facts known to me it was only fair to mention it.

Hon. Mr. LAWSON: I would like to ask Mr. Murray—

The CHAIRMAN: Before you start on that, I think it was agreed at our last meeting that we should have Mr. Rush here to-day to discuss the question of licence fees and methods of collecting the licence fees.

Hon. Mr. LAWSON: This will only take a moment.

The CHAIRMAN: All right, Mr. Lawson.

By Hon. Mr. Lawson:

Q. At a previous meeting I understood you to say, Major Murray, you indicated the amount which you anticipated receiving from commercial revenues—I have forgotten the figure, but as I recall it you indicated a larger figure than last year; and then I notice at the last meeting you said:—

In appearing before the committee last year, I indicated that we expected to take in a net commercial revenue of \$500,000 and that this would involve a gross commercial revenue of approximately \$700,000. It is calculated that our gross and net commercial incomes will be within these limits.

Did you mean that for the ensuing year?—A. No, that is this year.

Q. For the year ending?—A. Next week, March 31.

Q. Then that statement is not in conflict with the statement you made at the previous committee meeting?—A. No.

Q. Would you make a note of this? I think I asked you at our last meeting if you would let us know what you estimated your net and gross commercial revenue for the ensuing fiscal year would be?—A. For the ensuing fiscal year, 1939-40, I mentioned just by way of explanation that owing to the problem of bringing into operation two new stations I might be in a position towards the end of the deliberations of this committee to be more specific about it.

Q. I think you gave the net figure at the previous meeting; that is why I asked you what the gross would be.—A. Right.

Mr. BERTRAND: Referring to Mr. Ross' remark, he mentioned one hundred million dollars; and then Mr. Lawson or some one mentioned one hundred thousand dollars; I would like to know whether it is one hundred thousand dollars they are referring to or one hundred million dollars?

Mr. TURGEON: It would be all the same to you.

Witness retired.

The CHAIRMAN: Is it your pleasure to hear Mr. Rush now?

Some Hon. MEMBERS: Agreed.

W. A. RUSH, Controller of Radio, Department of Transport, called:

Mr. WOODSWORTH: Might I just ask whether this gentleman controls the technical end of radio?

The WITNESS: Yes, for the Department of Transport; administration of The Radio Act, 1938.

I would just like to read a short statement giving the background of our licensing system. This will not take very long.

LICENSING OF RADIO RECEIVING SETS

Broadcasting in Canada first commenced with test programs carried out by the Canadian Marconi Company in Montreal during the winter evenings of 1919.

Regular organized programs were commenced in December, 1920, by the same company, and in 1922 broadcasting in Canada became definitely established.

Prior to April 1, 1922, broadcast listeners were licensed under Amateur Experimental Licences endorsed "Reception Only" and the fee was one dollar.

During the fiscal year 1922-23 a "Licence to operate a Radio Receiving Equipment" was established and this form of licence has been continued with modifications to date: the present licence being known as a "Private Receiving Station Licence."

To cope with the issuance of receiving licences on a large scale, it was necessary to set up an issuing organization, and during the fiscal year 1922-23

[Mr. W. A. Rush.]

some 41 post offices in the larger centres commenced issuing licences on our behalf.

This issuing organization was gradually extended to Radio Dealers, Banks, and the R.C.M.P., until 1932 when it was augmented by the House-to-House Canvass.

It has been our policy to make licences available to the public with the least possible inconvenience to them and to this end there are to-day 1,646 Radio Dealers, 719 Banks, 66 Radio Inspectors, 6,271 Accounting Post Offices, 177 Staff Post Offices, 438 R.C.M.P., and 189 Supervisors in charge of the House-to-House Canvass engaged in this work.

On February 26, 1927, a regulation was passed authorizing the issuance of licences without charge to the Blind.

Early in March, 1938, the issuance of Private Receiving Station Licences, free of charge, was extended to any hospital, sanitarium or charitable institution. This has been further extended by regulation introduced early this year, which provides for the granting of Receiving Station Licences without charge to any blind person, upon satisfactory evidence being given that such person is blind, or to any hospital, sanitarium or other charitable institution owning or operating a Private Receiving Station for the gratuitous entertainment of patients or inmates, or to any school receiving a federal or provincial government grant, owning or operating a Private Receiving Station for educational purposes.

During the years prior to April 1, 1932, the licence fee was one dollar and one licence entitled the holder to operate any number of radio sets for personal use or for the use of his family or his servants, at the address indicated thereon. On April 1, 1932, the licence fee was increased to \$2 and the licence entitled the holder to operate any number of sets under the conditions outlined in the previous paragraph and, in addition, to install and operate a radio receiving set in his passenger automobile.

Further changes were made on April 1, 1938, when regulations became effective necessitating the separate licensing of each and every set. At the same time, the licence fee was increased to \$2.50 for stations established for reception of broadcasting at places served by an electric distribution system, or in an automobile; and a "Special Private Receiving Station Licence," fee \$2, was introduced for the reception of broadcasting at places not served by an electric distribution system.

Previous to the passing of the Canadian Radio Broadcasting Act, 1932 (assented to 26th May, 1932) the revenue from Private Receiving Licences passed into the Consolidated Revenue Fund.

The latter Act (which was repealed by the Canadian Broadcasting Act 1936) provided in part as follows:—

14. (1) "The commission may expand for the purposes of this Act the moneys appropriated by Parliament for such purposes, together with such sums of money as may be received by the commission from any business carried on by it under this Act.

(2) The moneys appropriated by Parliament for such purposes shall not exceed the estimated revenue from receiving licences, private commercial broadcasting licences and amateur broadcasting licences:

Provided that if at the end of the fiscal year there is a balance of appropriated moneys unexpended, or if the revenue from the sources mentioned in this subsection exceeds the amount appropriated, Parliament may appropriate any such balance and excess in addition to any appropriation provided hereunder.

The 1936 Act now provides:—

14. (1) The Minister of Finance shall deposit from time to time in the Bank of Canada or in a chartered bank to be designated by him to the credit of the Corporation:—

- (a) the moneys received from licence fees in respect of private receiving licences and private station broadcasting licences, after deducting from the gross receipts the cost of collection and administration, such costs being determined by the minister from time to time.

By the Chairman:

Q. In other words, the fees received from these private broadcasting station licences are paid to the department and transferred to the Canadian Broadcasting Corporation?—A. Yes.

By Hon. Mr. Stevens:

Q. From private receiving stations?—A. Private receiving stations.

Q. You said private broadcasting stations?—A. Both, sir; private receiving stations and private broadcasting stations.

By Mr. Martin:

Q. Licence fees received from private broadcasting stations are very small, are they not?—A. Very small—\$4,700 a year.

By Hon. Mr. Lawson:

Q. Then the cost of radio supervision, and all that sort of thing, in your branch of the Department of Transport is borne out of the consolidated revenue fund and is not paid for by the listeners at all?—A. Oh, yes; it comes out of the licence fees.

Q. You deduct that before you turn over any amount from licence fees?—A. That is right. They deduct about 6·25 per cent per month, subject to final settlement at the end of the twelve months.

Q. So that at the present time the national treasury as such is contributing nothing towards broadcasting?—A. Quite.

Q. The cost of supervision and everthing in connection with that comes out of the licence fee?—A. Yes.

The CHAIRMAN: I have a statement here, I think it is fairly accurate, that for your collection work last year you deducted \$248,000, and administration \$150,000.

Hon. Mr. LAWSON: Yes, but I did not know whether that was administration merely of collection, or administration of the whole branch.

The CHAIRMAN: That means the cost of interference service and that sort of thing comes out of that also.

The WITNESS: No, sir; interference control is entirely separate from that.

Hon. Mr. LAWSON: That is what I thought.

By Hon. Mr. Stevens:

Q. In your answer to Mr. Lawson you would make an exception to any capital voted by parliament?—A. Oh, yes.

By Mr. Martin:

Q. That interference vote is provided annually, is it not?—A. That is voted by parliament every year, yes.

Q. For interference?—A. Completely. There is no charge on the broadcast listener.

By Hon. Mr. Lawson:

Q. What does that amount to, approximately?—A. \$227,000, I think, was the figure.

Q. Just approximately?—A. About that, sir. I will give it to you in a moment; \$227,578 was the amount voted this year.

Q. So we can say that is the only contribution made out of the general treasury toward the whole cost of broadcasting in Canada?—A. I think that is a fair statement.

Q. Supervision, interference and all these matters?—A. Yes.

By Mr. Woodsworth:

Q. When were these fees for private stations fixed?—A. You mean, when they started?

Q. Yes.—A. I read that in the statement, sir.

The CHAIRMAN: It was in 1922.

Mr. WOODSWORTH: I did not get that.

By Mr. Woodsworth:

Q. Now, the fee, the licence fee that is being paid by private broadcasting stations?—A. That was all fixed.

Q. Yes, on what basis?—A. That has been in force ever since broadcasting came into effect.

Mr. WOODSWORTH: It seems a very small amount as compared to the other expenditures.

By Hon. Mr. Lawson:

Q. What is the average fee paid for stations of this type, \$50 a year?—A. Yes, sir.

By the Chairman:

Q. Mr. Rush, last year the committee recommended that the licence fee for private broadcasting stations over a certain power should be increased; was anything done on that?—A. We have given it a lot of thought. The recommendation of the committee last year was that stations over 100 watts should have their fees increased. The difficulty we found there is that a 100 watt station say in Montreal covers a far greater population perhaps than a 5,000 watt station somewhere else.

Mr. BOUCHARD: Hear, hear.

By the Chairman:

Q. I think the view of the committee last year was this, that certain stations making certain revenues out of private broadcasting should be paying a higher licence fee than the \$50 which then applied?—A. That applies to a 100 watt station in Montreal the coverage of which is naturally very much greater than some much higher powered stations in other parts of the country.

By Mr. Boichard:

Q. Could not the rating be based on the revenue received by the private station?—A. Yes. We could get at it in several different ways. That way, or on the basis of coverage.

The CHAIRMAN: The committee took very special care last year to make that recommendation. Your duty was to see what could be done with respect to altering the present fee of \$50 for privately owned broadcasting stations; to determine whether or not that was inadequate and whether or not these licences fees should be increased on the higher-powered stations serving densely populated areas.

The WITNESS: You have a condition where a 100 watt station may be serving a far greater population than some 1,000 or even 5,000 stations are able to serve.

The CHAIRMAN: Possibly you will be able to give us some recommendation.

The WITNESS: We hope to bring something on that.

Mr. BOUCHARD: We ought to have your recommendation, Mr. Rush.

Hon. Mr. STEVENS: Of course, we ought to keep in mind that the Income Tax branch assess their tax against these highly profitable stations, so the net result is that we do receive some remuneration from them.

The CHAIRMAN: Everybody is affected in the same way, according to their revenue, under income tax. But, here is the position, if I might take a minute or two—I have not taken much of the time of this committee so far, all I have tried to do is keep order—the broadcasting station in the small community renders the community service which is of tremendous value. The station in a locality where the population is dense does not render that service, it is purely a commercial proposition, a money-making proposition.

By Mr. Martin:

Q. With this distinction, Mr. Rush, following up Mr. Stevens comment; the money that you receive as licence fee from the private broadcasting station goes to the Canadian Broadcasting Corporation?—A. Yes, it is turned over to them.

Mr. MARTIN: So that in so far as the radio corporation is concerned, Mr. Stevens, it does not get any benefit directly from income tax collection.

Hon. Mr. STEVENS: Quite so.

The CHAIRMAN: Have you any further statement to make, Mr. Rush?

The WITNESS: If you would like to have the present situation regarding revenue, I could give that. This is the revenue to the 11th of March, for the current fiscal year, \$2,779,751.37. That was an increase over the same period for last year of \$774,173.70. The estimated cost of collection for the fee this year is \$150,000, which would leave a net revenue of \$2,629,751 to date.

By the Chairman:

Q. Have you got the net increase?—A. No the gross increase is \$774,173.70.

By Mr. Turgeon:

Q. What was your collection cost last year? Was it \$126,454?—A. Quite. The Canadian Broadcasting Corporation officials have stated before the committee that their estimate of revenue from the issue of licences, would be \$789,000 of an increase, or a total of \$2,650,000. It would appear from our figures that it is quite likely to be very near the final figure.

The Canadian Broadcasting Corporation officials also estimated a revenue of \$2,270,000, an increase of \$100,000, which means that the department will have to collect an additional 45,000 licences. And that appears to us to be a reasonable objective, dependent of course upon conditions generally. Licences issued to the 28th of February, this year, 1,206,093; an increase over the same period last year of 117,310.

By the Chairman:

Q. You agree with the statement made by the Canadian Broadcasting Corporation?—A. Yes, our figures appear to be confirming theirs.

By Mr. Turgeon:

Q. You gave us the cost of collecting radio fees this year; could you give us what it cost you to collect them last year?—A. Yes, I could give you that. How many years would you like me to cover?

Q. One year only?—A. It was \$126,454 last year.

Q. And what was it the year before?—A. \$115,000 the previous year.

The WITNESS: Shall I wait, Mr. Chairman; or do you wish me to continue?

The CHAIRMAN: I do not know what members of the committee may have in mind, but I certainly would like to ask you a number of questions in regard to the method of collecting licence fees.

Mr. BOUCHARD: Yes, but I wanted to suggest that Mr. Rush continue his statement.

The CHAIRMAN: His statement is practically through now.

Mr. BOUCHARD: I mean, the methods used to date.

The WITNESS: I could not prepare a statement like my predecessors on the witness stand have made. I could not make mine as interesting as theirs have been. Mine would be very drab. But I would be glad to answer any questions.

By Mr. MacKenzie:

Q. I would like to ask how many agencies are handling radio licences to-day?

Hon. Mr. STEVENS: He has given us that already.

The WITNESS: 9,000 is the figure for to-day.

By Mr. MacKenzie:

Q. What I mean is how many different types of agencies; for instance, you have the post offices which sell licences, and banks?—A. Yes, we have post offices, radio dealers, and many others.

Q. I mean that still continue to do so.—A. That is the situation to-day.

Q. But there are no substantial changes in the type of agency used?—A. No, sir.

The CHAIRMAN: You have got exactly the same method of collecting licences for 1939-1940 as you had for 1938-39? There is no change being made at all?

The WITNESS: No.

The CHAIRMAN: Let me give you a thought, Mr. Rush, it might not be worth very much, I think I am making a fair statement when I say that in the rural parts your collection of licence fees for radios is small compared to the percentage of radios that exist. I have given this some thought myself, and I am forced to the conclusion that in so far as the rural parts of the country are concerned your method of collection is simply a joke. Unless your collector has a chance of making money he simply isn't going to put his time at it, and he cannot make money where he only gets 15 cents for collecting. It is left to the postmaster to do the collecting, and there is hardly enough in it to make it worth while for him to do the job properly. If he gets 15 cents for collecting he has to take from that the cost of the money order through which he remits to you and the results is that for all his time and effort he gets almost nothing for his work. His net return is probably 12 cents per licence. My remarks apply to the little postmasters in the revenue post offices. You make him the sole collector and make it more worth while for him to do the work and I think the results would be beneficial, I think you could increase your licence fee collections in the rural parts of the country. My own experience is that canvassers are useless in the out-lying rural sections. I know that I have not been able to get one to do any kind of work in my riding.

The WITNESS: We used to do that, sir; we used to encourage the postmasters to do all the business; then the change was made to the house-to-house canvass and we had to stop that.

The CHAIRMAN: I know. I am speaking of the rural districts. Supposing you gave the postmaster 25 cents for collecting your licence fee, the same as you now give to the canvasser, in these post offices which are on a revenue basis.

The WITNESS: That is a question of policy, sir; I am not able to express an opinion on that.

The CHAIRMAN: Don't you think it is worth a try?

The WITNESS: I would be quite willing.

Mr. MARTIN: Have you thought of this? Look at it. It shows the ridiculousness of the whole licence fee system.

The CHAIRMAN: That is what I said.

Mr. MARTIN: Supposing you put the postmaster in the rural area in the position of being the only person who would have the right of collecting the licence fee that is no assurance that you are going to enforce collections.

Mr. HURTUBISE: No one else would enforce it.

Mr. MARTIN: They do in the cities.

Mr. HURTUBISE: I am not speaking about the cities.

Mr. MARTIN: I know you are not. I am just trying to point out how ridiculous the whole thing is in the main. It has been suggested that the postmaster be made the exclusive agent for collections in rural areas. He will wait for his friends to come to him, and if they do come that is the end of it; nothing ever happens whether they come in and pay their fee or not. The situation in respect to cities is altogether different.

The CHAIRMAN: I know, I have made a study of this thing in my part of the country and I know something about it. You might have two different systems, one for the cities and one for the rural districts. Let me tell you this, your canvassers in the country districts are not worth bothering about, so far as the collecting of licence fees is concerned. I have been trying to get some returned soldiers for this work in my riding and so far I have not been able to get one. I think it should be done through these post offices which are on a revenue basis.

The CHAIRMAN: Here is the point I am trying to make. At the beginning of the fiscal year the Department of Transport notifies the postmaster at these rural points and gives him a list of those whom it is known to the department have radios. They come to the post offices for their mail and he can mention it to them when they are there. If you gave him a 25 cent fee for collecting he would probably be quite efficient. If they do not pay their licence fees the postmaster is probably better informed than anybody else, because he comes in contact with them every day. He could put a card in the post-box or send it to a man just a reminder that his licence fee had not been paid. In that way I think you would be able to get results.

Mr. BOUCHARD: And, if he does not succeed finally he can report it to the department.

The CHAIRMAN: And then the department would have the privilege of prosecuting if they want to.

By Hon. Mr. Stevens:

Q. In the rural districts referred to by the chairman, where the postmaster is the chief agent for collecting do you have inspectors visiting these districts to check up?—A. Periodically, yes.

By Mr. Turgeon:

Q. Could you tell me please your total cost of collecting radio fees, and of that total what proportion is paid to house-to-house canvassers?—A. You mean, the percentage of commissions paid to canvassers?

Q. Yes.

Mr. MACKENZIE: I would like to finish my question first.

The WITNESS: Which one is that, please?

[Mr. W. A. Rush.]

By Mr. Mackenzie:

Q. Why give it to the postmaster, why not take it away from the postmaster and leave it to the canvasser?—A. You have two diametrically opposed opinions right there.

Q. You would never make a success the other way. It is not possible for the man at the post office, the bank, and everyone else to be selling them and to get efficiency.

The CHAIRMAN: Can you get a canvasser in your riding who will get any results?

Mr. MACKENZIE: I have four returned men now in my constituency.

The CHAIRMAN: I appointed three and they all resigned since our last meeting.

Mr. MACKENZIE: One point they bring up is that the post office people do not have to pay for the licences until they collect, whereas with the canvasser they have to pay for the books before they can start out. In that way the post offices have an advantage.

The WITNESS: Yes, the accounting post offices are allowed to have their licence books.

Mr. HURTUBISE: The canvasser has to pay for this in advance.

The WITNESS: Quite so, the postmaster of an accounting post office is an employee of the government.

Mr. HURTUBISE: I think these people could do something for themselves, and perhaps do something for you, if the licence fee collection were taken away from the post offices and banks and the like.

The CHAIRMAN: Before we leave this, I think the statement was made, with respect to my riding, that 41 per cent of the licence fees collected were collected by the post office people.

Mr. HURTUBISE: I would like to ask Mr. Rush whether or not any tests have been made with respect to a new system for the collection of licences. I would like to have some information on that. I would like to know on what basis it was worked out; I would like to have a full explanation of that new system.

Mr. BOUCHARD: Would you allow me to answer that question; subject to correction by Mr. Rush?

Mr. HURTUBISE: Yes.

Mr. BOUCHARD: Last year we made an experiment in my riding, Kamouraska.

The WITNESS: Yes.

Mr. BOUCHARD: The minister approved of it on an experimental basis only, and it was very very successful.

Mr. HURTUBISE: For the whole county?

Mr. BOUCHARD: Yes, for the whole county. The post offices were informed that they had nothing whatever to do with the collecting of licence fees. Certain young men appointed for the purpose went through the country canvassing from house to house. If memory serves me right, the number of licence fees which was 668 I think for the previous year was doubled under this system. Of course, we would make allowance for the local station, perhaps it has been a factor in that increase.

The CHAIRMAN: It was not because the people were conscience-stricken, was it?

Mr. BOUCHARD: No, but some were just a little negligent in their duty. It was a new departure and so they explained it at each place they called. I think the final figures showed that it increased to around 2,000 from a start of

somewhere around 600, and that represented a very substantial increase in revenue collected.

The WITNESS: I have the actual figures here, Mr. Bouchard.

Mr. BOUCHARD: Have you the figures? Well, I asked the minister this year if he would be kind enough to continue this experiment. I think it is very satisfactory as far as rural districts are concerned.

Mr. HURTUBISE: That is the point, the rural districts.

Mr. BOUCHARD: Under the other system, as has been pointed out, the difficulty is in finding people who will undertake the work; so many of them are sending in their resignations.

Mr. HEON: Would you have just one man for the whole county?

Mr. BOUCHARD: Yes, just one man for the county.

Mr. HURTUBISE: Are there many cities in that area?

Mr. BOUCHARD: There is one town, no cities. It is essentially rural. Of course, this man could do some other work; he could sell radios, for instance. His collection duties do not prevent him from undertaking some other form of work, representing agencies, and so on.

The CHAIRMAN: Let us have the results of that.

The WITNESS: The result in operation of the system Mr. Bouchard was talking about was, for the county of Champlain an increase in the number of licences from 1,868 to 2,676.

By Mr. Bouchard:

Q. What about Kamouraska? A From 713 to 1,222.

By the Chairman:

Q. Have you the figures for any other counties?—A. For Richmond-Wolfe an increase from 1,597 to 2,688. For Stanstead, that is another, from 2,166 to 2,657.

By Mr. Martin:

Q. What about Wellington, Ontario?—A. I have no figures for that. These are the only four so far. These were the four constituencies which were allowed to try out this new system.

Mr. MARTIN: I thought Wellington was allowed?

The WITNESS: Not for the current fiscal year.

Mr. HURTUBISE: You are considering rural constituencies.

Mr. MACKENZIE: That just bears out my contention.

By the Chairman:

Q. Are you prepared to inaugurate that system in any rural riding?—A. Rural? I would say we will be very glad to consider it. We have done so. We have supplied additional ones for next year, and if they are as successful as the four we tried this year, they will produce very gratifying results.

Mr. BOUCHARD: There is one point that should be given consideration; the young man who undertakes this work has to go to the bank to get his books of licences and the licence blanks may cost him quite a bit of money, possibly as much as \$100. That is a lot of money for a young man to put up for work of this kind.

The CHAIRMAN: I understand he has to put it up before he can get the books to work on.

Mr. BOUCHARD: He might be bonded, or possibly there might be some other system by which these books of forms could be issued.

Mr. MARTIN: The member could always furnish him with the finances.

The CHAIRMAN: He has to put up the cash before he starts.

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Mr. BOUCHARD: Yes, and I think that part of the system might be changed.

Mr. HURTUBISE: Canvassers usually don't have that much money.

Hon. Mr. STEVENS: They might get the local bank to endorse them.

By Mr. Isnor:

Q. Do the R.C.M.P. have to pay for them in advance?—A. No, they are government officials.

Mr. ISNOR: I think Mr. MacKenzie is right. The great trouble with the present system is the number of agencies employed. You all know how it is with a private business. One store may serve a community well. Mr. A. may be quite successfully carrying on his business for a number of years until Mr. B. comes along and sees the success Mr. A. is having and he decides to start a store in competition with Mr. A.; and then Mr. C., Mr. D., Mr. E. and Mr. F. come along and they all get into the same line of business and they all have tough sledding. I think that same principle applies to the collection of licence fees. I suggest that we should concentrate on the one system which is most effective; that we allow a man to make a real living, instead of splitting it up in four or five different agencies in such small amounts. I do not know why the R.C.M.P. should enter into this picture at all; nor do I see why certain other agencies should enter into it. This year I followed the same plans as outlined by the previous speakers in my county of Halifax which covers an area of 160 miles along the seaboard. That is a big district for any man to cover. I found that dividing the city of Halifax into three and this county into four, if there were no other agencies a man could make a very decent living out of it; or, rather, it would help him to make a very decent living; but if they are going to have to compete with the post offices, with the R.C.M.P. and various other agencies which do not have to put up the money in advance as do our agents or canvassers, well, they are not going to bring about the results which we desire. I am inclined to agree with you, Mr. Chairman, that the postmasters in the various rural districts might possibly be able to carry on in a successful manner. I think the same result would be obtained by appointing an individual to cover the rural districts. I may add that I have had no trouble in getting returned men to cover the various districts, but I have had some trouble in finding the right kind of man for a district, especially as under the present system it would hardly be worth his while to attempt to cover a large district with an automobile.

The CHAIRMAN: It appears that the department are prepared to accept the system that has been applied in Kamouraska?

The WITNESS: Only in the rural areas.

The CHAIRMAN: I am speaking of the rural areas.

By Mr. Turgeon:

Q. Can you give us the total amount paid to canvassers?—A. For the current fiscal year, up to the 14th of February, \$201,207. For the whole of last year, that is 1927-1938, it was \$184,762. Do you wish that amount for other years?

Q. No. That is the total amount of their commissions?—A. That is the total amount paid to the house-to-house canvassers.

Q. What amount of commission was paid to the canvassers?—A. Twenty-five cents per licence.

The CHAIRMAN: I think you misunderstood; that is the total amount paid.

The WITNESS: Yes. Do you want the proportion of house-to-house?

Mr. TURGEON: Yes.

The WITNESS: House-to-house canvassers, total commissions this year, 51.3 per cent; last year 51.8 per cent. They took half.

By Mr. Turgeon:

Q. The canvassers took just about half?—A. And they issued roughly 36 per cent of the licences; so they were very well paid.

Mr. TURGEON: They are not well paid in a district where they cannot work. I must take exception to that statement that they are very well paid, because I have a very definite complaint in that regard. They are not well paid, considering the nature of the work that they must do, and the competition which they must meet.

The WITNESS: Yes.

Mr. TURGEON: And the equipment which they must have in order properly to engage in the work.

The WITNESS: I would say there was something in favour of it in the rural districts. Of course, it is a question of policy. We tried it experimentally this year and it was successful.

Mr. HURTUBISE: For instance, take my county. I have two cities, one of 17,000 and one of 30,000 population. In places like that you could have two separate organizations, one for the cities and one for the rural districts.

The WITNESS: As long as you would not want the cities brought in.

Mr. HURTUBISE: That is what I would like to suggest to you and to the Minister of Transport; that you consider the county from both points of view; that this new plan be applied to the rural area, and one or two might be appointed to take care of the urban districts.

Mr. BOUCHARD: As a matter of information, could Mr. Rush tell me if there were any prosecutions in my constituency?

The WITNESS: I could not give you that at the moment.

Mr. Isnor spoke about the R.C.M.P. They issued 0·1 per cent of the total.

By Mr. Isnor:

Q. What was that?—A. It is just because they are in outlying districts where it might be convenient for people to get their licences from them. They are in places where nobody else goes; in the Northwest Territories, chiefly. I do not think we could get canvassers up there anyway.

By the Chairman:

Q. Are you prepared to do this: If any member of parliament comes to you with a competent man whom he recommends as a collector under this new system in rural areas, are you prepared to consider using it?—A. Absolutely, sir. We can consider it.

Mr. ISNOR: You could not possibly say that, in view of the regulations.

The WITNESS: The chairman was asking if we could consider it. I said yes, we can.

Mr. HURTUBISE: You can, but they must be returned men.

The WITNESS: Yes, that is understood.

Mr. HURTUBISE: What about those already in employment working on this thing; would you kick them out?

The WITNESS: Returned men are supposed to have a preference.

Mr. HURTUBISE: Those who have been doing the work for two or three years and have established a business for themselves; are you going to kick them out? If you do, there is going to be a howl in the country.

Mr. MARTIN: They are bound by the section.

Mr. HURTUBISE: I do not believe that I would ever be able to get as good ones as I have now.

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Mr. MARTIN: Well, don't change it.

Mr. HURTUBISE: You will never get as good a man. I am also in favour of protecting the veterans. I did in the past.

Mr. BOUCHARD: Hear, hear, you are right.

The WITNESS: We have not that information on prosecutions, but we will get it for you—the total in Quebec.

The CHAIRMAN: Gentlemen, Mr. Rush is here for that special purpose. It is up to you.

Mr. JOHNSTON: Why not cut out the licensee fee and thus cut out all this trouble? We have \$500,000. They can double that.

Mr. MACKENZIE: The department is ready to consider establishing more areas of that kind?

The WITNESS: In the rural areas, yes, sir.

By Mr. Hurtubise:

Q. And the same in the city?—A. No, sir; I would be very much against that.

By Mr. MacKenzie:

Q. Would you be prepared to take my case into consideration?—A. Yes.

By Mr. Hurtubise:

Q. In the city you would leave it to the radio dealers?—A. I think you will have to leave the cities as they are.

Mr. HURTUBISE: I know that the canvassers do call two or three times at a house and on the fourth time they learn that a licensee has been obtained from the postmaster.

By Mr. Martin:

Q. Mr. Rush, can you tell this committee how the licensee fee is collected in other countries?—A. Yes.

Q. For instance, in England. It is all done by the post office, is it not?—A. Yes, it is all done by the post office, the same as in Australia.

Q. Tell us more about the method; ours is such a ridiculous one.—A. We have always tried to make it as convenient as possible for a person to get a licence.

Mr. MACKENZIE: Perhaps Mr. Martin would tell us how he would collect the licence fee.

Mr. MARTIN: Commander Edwards knows just how effectively they are collected in our area.

The CHAIRMAN: Do they not pay anything in your area?

By Mr. Martin:

Q. Mr. Rush, is this not pretty much the way the licensee fee is collected in the city: The canvasser goes to one door and he might get it, but you will find neighbours on each side of him who never pay? The canvasser is afraid to go?—A. Why, sir?

Q. Well, because he has no authority. He is the kind of man, generally, that has no authority to collect it. There is no financial inducement for him to do so?—A. The canvasser has a card authorizing him to inspect licences. You cannot give him any more authority than that.

By Hon. Mr. Stevens:

Q. The long and short of it is that you are collecting one million and some odd dollars?—A. We are not doing so badly—\$2,779,000. This terrible system of ours is not so bad.

The CHAIRMAN: I think what members of the committee are mostly concerned with, Mr. Rush, is the irritation that is caused. That has really been the trouble, and if we could remedy that even under your present system, I think it would be a good thing.

By Hon. Mr. Stevens:

Q. Mr. Rush, have you considered the advisability of appointing—I am speaking only of the rural districts now—the local postmaster as the sole agent, increasing his fee, say, to 25 cents instead of 15 cents and holding him responsible for the collection of fees not only of those who come to his wicket but of all those in his district?—A. Mr. Stevens, we did have that in effect at one time, but at the same fee. I must confess that when the house-to-house canvass was brought in we had to cancel that, we had to tie the postmaster down to his post office.

Q. Would it be your opinion, based on your experience, that under the present system where there is a divided distribution of the winnings it makes it neither profitable for the postmaster, on the one hand, or profitable for the canvasser on the other?—A. Yes, I think there is something in that, Mr. Stevens. In the rural areas where they have to work pretty hard to sell licences I think your idea is all right.

Q. Would it be fair to say that one or the other system ought to be adopted for rural districts?—A. I think we would agree to that. I am sure the Minister would agree to anything like that. The only thing is that we have to build up an issuing organization; you put it into the hands of a canvasser, a single man, and that man may be a good man or he may not. What is going to happen to the whole sale of licences if we extend it too far?

Q. Assuming you have one authority in a given area, then you superimposed on that a supervisor who will be over a certain number—which experience would indicate was possible—to check up and see that the system does work?—A. Then, of course, you take so much away from your first man. If you have to supervise that man you have to pay the supervisor something as well as the man who is selling. You would not make quite so much.

By Mr. MacKenzie:

Q. You have those supervisors now in the province of Manitoba. You have a supervisor in Winnipeg?—A. We have our own radio inspector doing that, sir, and we do not charge for that.

Q. Could he not check up on these people every so often?—A. We would very glad to have some system of that sort if we could extend it further.

Q. As a matter of fact, is that not what he does?—A. Yes, our Winnipeg inspector looks after the city of Winnipeg and the immediate vicinity; but outside you have another supervisor on the house-to-house canvass in the different areas.

By Mr. Martin:

Q. The licence work is a very small part of that supervisor's job; interference is one of his main duties?—A. Yes.

Q. There is a great inadequacy of that sort of thing. Take the inspector in the Windsor area, it is not physically possible for him to attend to the occasions of interference.—A. It is pretty hard, sir.

Q. It is impossible.—A. We are gradually expanding that service, of course—

Hon. Mr. STEVENS: Mr. Chairman, I think it is almost impossible for the committee to work this out. I think it would be better for Mr. Rush and Commander Edwards and their staff, with the figures before them and being familiar with the whole field, to map out a system based upon the single canvasser, whether it be the postmaster or an individual canvasser; then by a calculation of the whole field decide what they could afford to pay a supervisor to cover one or a dozen or twenty districts, always having in mind that

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it would be with the object of increasing the revenue, not increasing the expenditure. I think it is impossible for the committee to determine that, while one man who would take the whole picture from a statistical point of view could probably work out a system.

As Mr. Rush very properly said just now in answer to a question by yourself, there is a principle involved which he did not wish to answer. I think it is obvious from the evidence we have that a duplicate collection agency in a district militates against the efficiency of both and probably lessens the revenue collected. Therefore I think it would be better for us, if we could, to decide on the question of a principle. I am speaking only of rural districts; I do not think the cities offer a similar problem.

The CHAIRMAN: Yes.

Mr. BOUCHARD: I should like to see an experiment conducted along the lines suggested by Mr. Stevens, with postmasters acting under the supervision of someone empowered to act when there is reason to believe that someone has evaded paying the licence fee. He could be notified by the postmaster. However, we must keep this in mind, that the postmaster is not in a position to force the people to pay, because the postmaster has to be a popular man in his district.

Hon. Mr. STEVENS: Yes, but that is where the supervisor, the cold-blooded fellow from outside would come in. The collector could say, "I have collected from so many; I have a list of persons from whom I have not collected"; the supervisor comes along and issues instructions for prosecution or whatever action may be necessary.

Mr. BOUCHARD: I should like very much to see that system working in conjunction with the other for a year or two in order to try it out.

Mr. MACKENZIE: I know for a fact that a number of postmasters and postmistresses could not possibly leave their post offices.

Mr. MARTIN: There is no suggestion of that.

Mr. BOUCHARD: There is no suggestion of their leaving their post offices. The idea is to have it handled through the rural mail carriers.

The CHAIRMAN: Gentlemen, Mr. Isnor has been trying to ask a question for some time. What is it Mr. Isnor?

Mr. ISNOR: I desire to refer to a question raised last year.

The CHAIRMAN: You want to deal with urban collections?

Mr. ISNOR: No, with automobile licences and radio fees. I raised this question last year when Mr. Murray was on the stand. I am not sure of the figures, I did not look them up, but I am going to deal, first, with automobiles and then with radio sets sold, as I understand it, to automobile owners.

In 1937, the total number of automobile licences in Canada amounted to 1,229,299. This year the total number of automobile licences issued in Canada was 1,319,702, or an increase of 90,403.

It is also shown that there were 413,000 cars sold. These figures are taken from the year book. Of the 413,000, there were 271,000 used cars sold and 142,000 new cars sold. Those are the cars which I am particularly interested in bringing to the attention of Mr. Rush—142,000 new cars sold. That represents one car for every nine persons in Canada. Your figures and the statements given by you or from your office show that there is only one out of every forty-eight car-owners that have purchased licences?

The WITNESS: Our figures on car sets are 85,000. The sales of radio sets for cars were 85,044.

By the Chairman:

Q. That is for 1938?—A. That is up to the end of 1938.

By Mr. Isnor:

Q. I want to make a comparison with the radios. The total number of radio licences in Canada—I think this was given by Mr. Murray—was 1,206,093?—A. That is correct, sir.

Mr. MACKENZIE: Car radio licences?

Mr. ISNOR: No, the total licences. The total number of radio sets sold for cars in 1938 was 27,288.

Mr. BOUCHARD: Sold in Canada?

Mr. ISNOR: Yes.

Hon. Mr. STEVENS: That is, new ones?

Mr. ISNOR: Yes.

Mr. MACKENZIE: He gave the figure of those sold as 85,000.

The WITNESS: 28,000.

Mr. ISNOR: 28,378 for this year.

The WITNESS: That is correct for this year. That is the first year we had a separate licence for automobiles.

Mr. ISNOR: That represents an additional 1,090 sold last year. My point is, Mr. Chairman, that you are charging \$2.50 for an automobile radio licence and you are not getting the returns you should get. I believe if you lowered the rate for an automobile set you would get a very much increased amount in the way of revenue.

The CHAIRMAN: From motor-car owners?

Mr. ISNOR: I hold no brief for the automobile owners—I never discuss it with them—but it seems to me that you are either retarding the sale of sets for installation in cars or they are deliberately evading the payment of this fee. I believe if you had a fee of \$1.50 you would get a greater revenue, and I think it would gradually increase. For instance, the increase in cars is 90,403, and at least fifty per cent of the new cars have radios in them to-day. I judge that from what I have seen of the new cars. That does not reflect in your figures during the past year, Mr. Rush?

The WITNESS: This is the first year we had licences for cars, so that we have no back figures to go on, so far as licences go.

By Mr. Isnor:

Q. Would you say you are getting ten per cent?—A. Oh, yes. The sale of sets is only 85,000.

Q. And your total revenue was \$8,000; is that right?—A. No, sir. The revenue from car licences is \$66,000 odd for 28,000 licences. I think perhaps you are mixing up the multiple sets.

Q. Yes; I beg your pardon. I was going to deal with that as my second point. So that there were 28,000 out of 142,000 new cars. If my figures are correct it would show that 142,000 new cars were sold last year in Canada?—A. I suppose so, sir; I do not know.

Q. It says here that there were 413,000 cars sold in Canada; the number of used cars was 271,000 and the number of new cars 142,000. Now, considering the figure of 142,000, you only sold licences for radio sets totalling 28,378?—A. Yes, but all the cars are not fitted. We find in our figures that there are only 85,000 car radio sets sold up to date.

Q. 85,000?—A. Yes, and we have licensed 28,000.

Q. Well, that is one-third, is it?—A. Not bad for the first year, I think. We find it very hard to get people used to anything new that comes out, like a radio licence for a car; it is new, and it takes a year or two before they realize.

Q. Could not the Department of Transport co-operate in some way or set up a system similar to the provincial motor vehicle offices? They could notify the Department of Transport that such-and-such a car or number of cars had been sold in that province and possibly give the names, if necessary, and whether the cars are equipped with radios. What was the number again?—A. The number of licences—28,000.

Q. No, no, the total number of radio sets?—A. 85,000.

Q. You can see the difference in revenue that would be derived from that source, if you had a system whereby you could follow them.—A. Well, Mr. Isnor, that is an idea we have taken up. We have taken it up with all the provinces, and Prince Edward Island, I think, is one that is going to operate along those lines. On the form they send out they are going to state "fitted with radio or not fitted with radio." So we will know who have and who have not radios in their cars. As I say, it is the first year, and it is difficult to get everybody taking out a licence for a new thing like this.

Q. I think the average man who has a radio in his car also has one in his home?—A. Quite, sir.

Q. I think that is fair?—A. Yes, I think so.

Q. So you are charging that man for a duplicate set?—A. Yes.

Mr. ISNOR: The fee for a duplicate set, I believe, should be reduced. Instead of being \$2.50, it should be reduced to \$1.50 per set.

The CHAIRMAN: What effect would that have on your system, if you had two licences?

The WITNESS: A terrible effect.

Mr. ISNOR: That is the reason they always give for extra work.

The WITNESS: Well, I can give you the figures.

The CHAIRMAN: I think we should get Mr. Rush to give us some explanation on that.

Mr. ISNOR: You will remember, Mr. Rush, the maritime provinces asked for certain information last year. You gave it last year for the provinces and the various sources of collections they used and the number coming through each agency; then you separated those into counties. I took that report, it was interesting; I studied it very carefully, and it is because of that study that I am making these observations today. I think if each member could be supplied with similar information pertaining to his particular constituency, it might be very helpful.

The WITNESS: Yes, I would be very glad to supply any figures at all.

The CHAIRMAN: I think at this point we should have a statement from Mr. Rush as to the result of collecting a fee of \$1.50 for one type of radio and another fee of \$2.50 for a different type. I am given to understand it would cause a tremendous amount of trouble.

The WITNESS: Take Mr. Ross' question. He asked about multiple sets; we estimated it roughly at 8,000. That is not a definite figure. He suggested \$1 for each additional set. He thought there would be a far greater sale. But would an increase of $3\frac{1}{3}$ rd be a fair estimate? Could I use that as a figure when charging \$1 for the extra set? Supposing we take that figure to start with—

Hon. Mr. LAWSON: You would have to get two and a half times as many licences to give you the same revenue.

The WITNESS: Yes. The cost of administering that extra licence would be, roughly, \$7,000, so you would have to sell two and a half times the number of licences to get the same revenue. Then you would have a debit of \$7,000 on the other side. There is no doubt about that. The \$2 licence, when we put it on for the battery sets, cost us \$14,000. We have sold 100,000.

By the Chairman:

Q. Why did you incur that extra cost?

Hon. Mr. LAWSON: He does not mean "cost"; he means they lost that much revenue.

The WITNESS: No, sir.

Hon. Mr. LAWSON: Cost of collection.

The WITNESS: Not the cost of collection, the cost of printing. A licence comes from a printing bureau, and anything that has any value to it we have to account for right through all its motions. The audit office are very strict about revenue, and we have to account for it.

By the Chairman:

Q. Suppose the licence on the battery set had been equal to the electric set, would you have had that extra cost added on?—A. No, sir. We would have saved \$14,000. Here are the details of that.

Hon. Mr. LAWSON: I do not think we need the details; it only encumbers the record.

By the Chairman:

Q. If the licence on automobile radios or on duplicate sets is reduced, it is going to add to your cost of collection, and the benefits are going to be very small?—A. There is no doubt about those figures. That is how it works out.

Mr. BOUCHARD: I am in agreement with Mr. Isnor. In a rural district, particularly in our district, where we have a long and severe winter, we do not use those sets excepts for eight months in the year. That is one instance. The second instance is that a special rate is allowed for a battery set, and the radio in an automobile is distinctly a battery set.

By the Chairman:

Q. Is it really classed as a battery set?—A. No.

Hon. Mr. LAWSON: They do not class it as that.

Mr. BOUCHARD: But it is operated on the same principle. For those two reasons I think on the ground of equity \$2 should be enough. As Mr. Isnor pointed out, probably you would collect a greater number and it would result in about the same thing. Another point is this; that those who have a radio in their car have another radio in their home. I should like to find out how many automobile owners use their cars all the year round. Could we get any figures on that?

The CHAIRMAN: It would depend on the amount of snow, I should imagine.

The WITNESS: It would be very hard to get that.

Mr. BOUCHARD: I think we can estimate that at least half the owners of automobiles would run them throughout the winter.

The CHAIRMAN: I think in the west the automobiles are used very much more in winter than they are in the province of Quebec. I was in Quebec last week-end and there was so much snow it made it almost impossible to drive a car.

Hon. Mr. LAWSON: Mr. Chairman, I should like to inquire into the possibility of reducing licence fees to a certain class, which I think would affect my friends from Quebec as well as Ontario. This might be a good time to raise the point while we are on the subject, and Mr. Rush might give it some thought or the CBC officials might give it some thought. I am led to believe that there are a great number of farmers in rural communities, certainly there are in Ontario, who have what are known as little crystal sets. That is the only set they have; they do not invest in a large radio. This crystal set can be bought for twenty-five cents, and they have to pay about \$1.50 to \$1.75 for ear-phones. It has a very limited range. It can only receive from one station, and I understand it must be within twenty-five or thirty-five miles of the transmitter of an ordinary

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station. It is used by farmers particularly where they have no electric current and no power. Here they have a total investment of a maximum of \$2 in a set that has a very limited range—it gives them crop reports, weather conditions, and so forth, in which they are most interested—and yet they have to pay either \$2 or \$2.50 for a licence; I am not sure which. Probably they are in the \$2 classification.

The CHAIRMAN: Are there any in Ontario?

Hon. Mr. LAWSON: I am led to believe there are, and I say that because of the number of letters I have received protesting. Certainly those people are entitled to some special consideration in the way of licence fees, and I suggest that either Mr. Rush, from the Department of Transport, or some official of the CBC, might give us any data and information which they have available as to how serious a loss it would be were this committee to recommend a licence fee of 50 cents per year, or something of that kind, for those special sets.

It applies in another case—and they are all most deserving cases—to people who are in comparatively poor circumstances, not necessarily on relief, but there may be many on relief who have radios; I think a lot of them have. Some of the boys in the family get interested in radio and they build these little crystal sets for themselves probably at a total cost of fifty or seventy-five cents. I have seen dozens of these in my own riding where the cost did not exceed \$1. It does seem a rather heavy imposition that, for those little crystal sets built by those boys who are mechanically inclined, a licence fee of \$2.50 should be collected in addition to the licence fee for a major radio set, if I may so term an ordinary set. I think that matter should be inquired into.

By the Chairman:

Q. Can you give us any information on that, Mr. Rush?—**A.** I would say there are very, very few crystal sets, Mr. Lawson, and those who are using them must necessarily be near a station. They are getting the same service from their crystal sets as others.

Hon. Mr. LAWSON: They only get one station.

The WITNESS: They get good service. But I do not think if we exempted crystal sets the loss of revenue would be very big.

By Hon. Mr. Lawson:

Q. It would not amount to anything?—**A.** No.

Q. So we might exempt them altogether?—**A.** I would say so.

Hon. Mr. LAWSON: At the proper time, Mr. Chairman, I will move that we exempt those crystal sets.

Mr. JOHNSTON: In regard to Mr. Isnor's suggestion that there should be a reduction in the licence fee for radios in cars, I think, generally speaking, that if a man can afford a new car he can afford to pay the licence fee. If there is going to be any reduction, I am more in favour of having it for the home set than for the car set. I think that should be given consideration when the time comes for the question to be discussed that we should go back to the \$2 licence rather than the \$2.50 licence for home sets.

By Mr. Martin:

Q. Could you give us a statement for the last five years, and if you cannot do it to-day have it ready for us at the next meeting, showing how much money has been appropriated year by year by parliament in respect of interference? This sum of money I am assuming comes from the Consolidated Revenue Fund.

Hon. Mr. LAWSON: He gave it for last year.

Mr. MARTIN: What was it?

Hon. Mr. LAWSON: \$277,000.

Mr. MARTIN: The reason I am asking for that is because the serious criticism of my proposal to abolish the fee altogether is that it places the CBC under the control of parliament. If we can appropriate \$270,000 in respect of interference—

The WITNESS: It is not quite as high as that.

By Mr. Martin:

Q. What is it?—A. What year would you like?

Q. I should like to get an idea of the amount involved.—A. I will go back as far as 1932 or 1933.

Q. That would be fair enough.—A. 1932-33, \$157,000; 1933-34, \$159,000; 1934-35, \$166,000; 1935-36, \$182,000; 1936-37, \$180,000; 1937-38, \$199,000. For the current fiscal year we have in our estimates \$227,000.

By the Chairman:

Q. Is that the amount voted by parliament?—A. Yes.

Q. How are your expenditures on those amounts?—A. They are exact. I did not give the odd figures but if I had given the odd figures they would be the same.

Q. You have spent the full amount that was voted?—A. Yes.

By Mr. Martin:

Q. If parliament did not appropriate that money in that way for the general efficiency of the radio corporation or for radio in Canada, that would have to be done by some other agency, would it not?—A. Oh, yes.

Q. There is no question about that?—A. No.

By Mr. Isnor:

Q. The full amount?

Hon. Mr. LAWSON: That amount has nothing to do with radio broadcasting.

Mr. MARTIN: Yes; it is under the Radio-Telegraph Act, but it is necessary for the proper efficiency of radio broadcasting.

Hon. Mr. LAWSON: No; of radio reception.

Mr. MARTIN: Which is the same thing.

Hon. Mr. LAWSON: Oh, no.

Mr. MARTIN: Both are necessary corollaries. There is no sense in having a broadcasting station unless you have a receiving station.

By Mr. Turgeon:

Q. But that money is expended by the Department of Transport?—A. Absolutely.

Q. Without reference to the radio broadcasting corporation?—A. No.

By Mr. Martin:

Q. There is no question about that. In order to keep the record clear, we have got now that this money is appropriated annually by parliament?—A. Right.

Q. And we have your statement that radio reception as well as broadcasting in Canada would not be as efficiently possible if this annual appropriation were not made. That is right, is it not?—A. That is quite right.

Mr. TURGEON: But what you have forgotten is that that is not made to a corporation; that is made to a department of the government.

Mr. MARTIN: I know that.

Hon. Mr. LAWSON: If we take off all licence fees without any plan for receiving money, then an additional three million odd dollars a year will have to be voted out of the Consolidated Revenue Fund, which is the peoples' taxes.

[Mr. W. A. Rush.]

The CHAIRMAN: Do you agree with that, Mr. Lawson? That is not your suggestion?

Hon. Mr. LAWSON: I did not suggest this.

The CHAIRMAN: Is that Mr. Martin's suggestion?

Mr. TURGEON: That three million odd dollars will then have to be given over to what we term an autonomous corporation for them to handle as they see fit, or we will have to disband the autonomous corporation and do it from a branch of the government.

Mr. MARTIN: No, Mr. Chairman.

Mr. TURGEON: Just a minute.

Mr. MARTIN: You are jumping to the conclusion—

Mr. TURGEON: We will either have to give that money to the corporation and tell them to spend it and retain their autonomy, or we will have to take away their autonomy and put them in some other position.

Mr. MARTIN: Mr. Chairman; Mr. Turgeon is now arguing the merits of the proposal.

Mr. TURGEON: Oh, no.

Mr. MARTIN: After all the evidence is in, we will argue that point, but there is not any suggestion, and I do not want Mr. Turgeon to create it intentionally or unintentionally, of taking away one iota of the autonomy of the CBC.

I think that the important thing that has come out this morning is that parliament does annually appropriate a huge sum of money which renders more efficient the operation of radio broadcasting and radio reception in Canada; also that that money comes out of the Consolidated Revenue Fund. Now, that is the important thing that has come out this morning. Carrying on in connection with what Mr. Turgeon has said, that no more interferes with the autonomy of the CBC than my proposal would interfere.

Mr. TURGEON: Because it is not expended by the CBC.

Mr. MARTIN: It does not matter. The CBC would have to spend this money if we did not vote it.

Mr. TURGEON: Yes, but we do vote it and we give it to a branch of the government to spend.

Mr. MARTIN: I do not care to whom you give it.

The CHAIRMAN: There is just this difference, and I think I had better get down to it because it is now one o'clock—

Mr. MARTIN: We are getting down to something now.

The CHAIRMAN: The Department of Transport is the collector of the money for the autonomous body. That is all they do. In this case the Department of Transport administers a direct vote of parliament. There is quite a bit of difference between the two. We do not have to vote the amount of money that is collected from licences every year to the department; the Act says it must be transferred to them.

Gentlemen, have you got all the information you want from Mr. Rush?

Mr. MARTIN: No, I have not. I have a lot of things I want to ask Mr. Rush.

The CHAIRMAN: Ask him now, then, and he will be prepared with the answers at our next sitting.

Mr. MARTIN: I want to go into the whole question of the supervision of this Act from my point of view, to find out some of its inconsistencies. This whole question of supervision is a very serious problem from the point of view of interference; and I also want to examine him with respect to the work of the inspectors. These inspectors have enough to do in carrying out their

regular work without having to take on the added responsibility of collecting licence fees. Their own work takes so much of their time that when they take on this additional work it simply results in antagonizing the public, and the effect on the public is almost as exasperating as the radio licence fee itself. He has not got the time to attend to this. He cannot possibly do it. You know that.

The CHAIRMAN: Now, gentlemen, it is one o'clock. To-morrow our friends the Conservatives—I think Mr. Lawson will verify this—are having a caucus, and on Thursday the Liberal caucus takes place.

Mr. MARTIN: We have got to finish this before the 25th of March.

Mr. HURTUBISE: That is a very important point.

Mr. MARTIN: We have to finish with this part of our reference before the 25th of March and make a recommendation one way or the other.

Hon. Mr. LAWSON: Do you mean that the committee has to be finished by that date?

Mr. MARTIN: Mr. Howe has said that if we are to make any recommendation about the licence fee it has to be done by then.

Hon. Mr. LAWSON: You mean, an interim report?

Mr. MARTIN: Yes.

The WITNESS: The licences for next year are printed.

Mr. MARTIN: We are going to change that.

The WITNESS: They are passing out through the country in preparation for issue now.

Mr. MARTIN: That is a serious thing. The minister told us that the 25th was the deadline. I do not care what the department has done about printing.

Mr. HURTUBISE: We were given to understand that nothing would be done until the 25th.

The WITNESS: It takes two months to get these licences printed and distributed.

The CHAIRMAN: I do not think that is quite correct. The minister made the statement that if the committee decided to make a recommendation in regard to the licence fee that it would have to be made at least before the 25th of this month; that if it were made any later than that it would create a lot of commotion in the department. That was his statement.

Mr. HURTUBISE: We are now told that everything is printed and ready to go out.

Mr. MARTIN: We might as well throw our hands up if that is the situation. I do not intend to throw mine up.

The CHAIRMAN: We are not going to throw our hands up. What is your pleasure?

The WITNESS: I said the licences were ordered in January.

Mr. HURTUBISE: They were ordered in January?

The WITNESS: Yes.

Commander EDWARDS: Might I be permitted to make a statement? This question of policy in respect of this \$2.50 licence fee and this change in organization has come up only since this committee sat. The printing of over two million licence form blanks requires months of time. The order for these was placed long before this committee was constituted, and they started to deliver them about the time this committee started to function. The thing that matters is what this committee reports to the minister. The issue of these forms is neither here nor there. It is merely routine of the department that they happen to be printed.

[Mr. W. A. Rush.]

Mr. BOUCHARD: When do we meet again? What about an afternoon session?

The CHAIRMAN: I am not very much enamoured of that.

Mr. MARTIN: We have to decide this matter by the 25th of March. It is a very serious matter.

The CHAIRMAN: I think you are all convinced that the radio corporation cannot go on on any less revenue than it is getting now.

Mr. MARTIN: I refuse to be intimidated, Mr. Chairman.

The CHAIRMAN: I think the best thing you can do, Mr. Martin, is to convince this committee as to the soundness of the position you take; that the licence fee should be dropped and that the operating revenue of the corporation should be voted by parliament. You have not made very much progress on that so far.

Mr. MARTIN: I could not get a chance to get a word in, Mr. Chairman.

The CHAIRMAN: You will perhaps recall I read a letter from Mr. Geoffrion representing the Association of Private Broadcasters, and that he wanted to appear before the committee if it were convenient as early as possible after the 21st of March. I saw Mr. Geoffrion on Monday and he was still of the same opinion, that if we could extend to him that courtesy of appearing before us as early as possible he would appreciate it. I also have a telegram here from Mr. Lefebvre which reads:—

"M. BEAUBIEN,
Comm. Parlementaire Sur la Radio,
Ottawa.

Demandons privilege d'etre entendus au cours de la presente enquete
stop esperons pourvoir faire representations jeudi de cette semaine si
possible.

Association Des Postes Privés De La Province De Québec—

M. LEFEBVRE.

Hon. Mr. LAWSON: Whom does he represent?

The CHAIRMAN: The Association of Private Broadcasters of Quebec.

Hon. Mr. LAWSON: Would they be separate and distinct from each other?

The CHAIRMAN: It looks that way to me.

Hon. Mr. LAWSON: Apparently they have one organization in Quebec and a national organization as well.

The CHAIRMAN: Yes. Mr. Geoffrion represents the national organization of private broadcasters while Mr. Lefebvre apparently represents the unit in Quebec.

Mr. TURGEON: We have until the 25th in which to deal with Mr. Martin's proposal one way or the other relating to fees. I do not think we should go ahead and hear private parties until after the 25th.

The CHAIRMAN: Should I tell these people that it will be impossible for us to hear them on Thursday of this week?

Hon. Mr. LAWSON: Yes.

Mr. MARTIN: Yes.

The CHAIRMAN: And at the same time I might tell them on your behalf that we will call on them just as soon as possible.

Hon. Mr. LAWSON: Possibly next week. You might be able to hear them then.

The CHAIRMAN: I understand that Mr. Murray has some very important material which he wants to place before the committee before these people are heard.

Hon. Mr. LAWSON: He should have an opportunity of presenting that material before we hear from these private broadcasters.

The CHAIRMAN: Yes, I think so.

Hon. Mr. LAWSON: I think the CBC should be allowed to put in anything they desire.

The CHAIRMAN: Shall I take this view, that the committee will hear them as soon as conveniently possible?

Hon. Mr. LAWSON: Yes, as soon as we can. It would look as though it would be another week or so, wouldn't it?

Mr. MARTIN: I have quite a number of questions which I wanted to ask Mr. Rush.

The CHAIRMAN: I have another fairly long telegram here which I think I should read to you. It is from Toronto under date of March 15th and reads as follows:—

A. L. BEAUBIEN, M.P.

Chairman Special Committee on Radio Broadcasting,
Parliament Ottawa Ont.

Dear Mr. Beaubien We are alarmed on reading minutes Special Committee on Radio Broadcasting to learn it has been suggested basic radio licence fee be eliminated or reduced as it will seriously effect livelihood professional musicians and artists throughout Canada Stop Through co-operation Canadian Broadcasting Corporation symphony concerts have been presented Canadian and American networks from Vancouver Calgary Winnipeg Toronto and Montreal Stop Until this last year Canadian citizens had not been able to enjoy cultural advantages Canadian symphony orchestras Stop The great majority these musicians and artists largely depend on symphonic music for livelihood Stop We have computed that reduction in licence fee from two fifty to two dollars will mean decreased revenue approximately six hundred thousand dollars Stop We fear reduction would not only mean elimination Canadian symphonic broadcasts but also result would be serious curtailment ordinary sustaining programs originating in corporations stations Stop The result would be our Canadian public would have to receive this higher type of program from United States stations and networks while our Canadian musicians remain idle at home Stop There are thousands employed musicians in Canada who have been kept off Government relief rolls through co-operative effort local musicians organizations Stop May we respectfully urge your committee do not interfere with basic radio licence fee even if in your wisdom you decide it is in best interests of country to eliminate multiple licence on more than one machine in a home or modify present fee on more than one receiving set Stop We respectfully petition your committee to give interests Canadian artists and musicians your most thoughtful and constructive considerations.

WALTER M. MURDOCH,

*Chairman Canadian Radio Committee,
representing Professional Musicians of
Canada, 402 Metropolitan Bldg.*

Mr. MARTIN: I have received hundreds of telegrams similar to that. The answer as far as I personally am concerned is that it would not affect their position one iota because I have never stated that there is any intention on my part to interfere with the operations of the CBC; in other words these sums will be paid by the state instead of as now by the ordinary householder.

[Mr. W. A. Rush.]

The CHAIRMAN: Then, it is understood that at our next meeting Mr. Martin will be prepared to put his proposal before the committee, that we do away with the licence fee and endeavour to get the revenue from somewhere else.

Hon. Mr. LAWSON: When do we meet again?

The CHAIRMAN: On Friday morning.

Mr. MARTIN: What else is coming up on that day?

The CHAIRMAN: You want to interrogate Mr. Rush; there will not be very much else.

Mr. MARTIN: I would not take more than an hour; in fact, I may be able to get unanimity in less time than that.

The CHAIRMAN: We will have Mr. Murray here. Do you wish Mr. Rush to come back also?

Mr. MARTIN: Yes, I would like Mr. Rush back for a short time.

The CHAIRMAN: We will meet again on Friday.

The committee adjourned at 1.15 o'clock p.m. to meet again on Friday next, March 24, 1939, at 11 o'clock a.m.

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SESSION 1939
HOUSE OF COMMONS



SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

FRIDAY, MARCH 24, 1939

WITNESSES

Mr. W. E. Gladstone Murray, General Manager, Canadian Broadcasting Corporation.

Mr. W. A. Rush, Controller of Radio, Department of Transport.

OTTAWA
J. O. PATENAUME, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

ERRATA

Page 202—by Mr. MARTIN

Question—Licence fees received from Private Broadcasting stations
are very small? Are they not?

Answer—Very small; \$4,275 this year.

Page 204—by Mr. TURGEON

Question—What was your collection cost last year? Was it \$126,454?

Answer—Yes. The Canadian Broadcasting Corporation officials have
stated before the Committee that their estimate of revenue accruing
to them from the issue of licences for the fiscal year 1938-39 was
\$2,650,000. It would appear that their estimate is likely to be
very near the final figure.

The Canadian Broadcasting Corporation estimates revenue
from licences for the next fiscal year at \$2,750,000, an increase of
\$100,000, which means that the Department will have to collect an
additional 45,000 licences. This appears to be a reasonable
objective (3 per cent) depending, of course, on conditions generally.

Page 209—by Mr. TURGEON

Question—1927-1938 should read 1937-1938.

MINUTES OF PROCEEDINGS

FRIDAY, March 24, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Hamilton, Héon, Hurtubise, Isnor, Johnston (*Bow River*), MacKenzie (*Neepawa*), MacMillan, Patterson, Ross (*Moose Jaw*), Slaght, Thompson, Woodsworth—(16).

In attendance:

Mr. W. A. Rush, Controller of Radio Division, Department of Transport;

Commander C. P. Edwards, Chief of Air Division, Department of Transport;

Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;

Mr. W. O. Findley, Assistant to Chief Executive Assistant, Canadian Broadcasting Corporation; and

Mr. R. E. Keddy, Secretary to General Manager, Canadian Broadcasting Corporation.

The Chairman read to the Committee a letter from Mr. Aimé Geoffrion, K.C., explaining that as his clients, the Canadian Broadcasters Association, had arrived at an amicable understanding regarding the rights of private broadcasters, there would be no need for them to appear before the Committee.

The Committee agreed to this.

Mr. W. A. Rush was recalled.

The witness first asked the Committee for leave to make corrections in the minutes of evidence on pages 202, 204 and 209—Tuesday, March 21st, 1939.

The Committee agreed to the corrections being printed as an Errata in the Minutes of Proceedings and Evidence of this day.

Mr. Rush then continued with his submission to the Committee on the collection and cost of issuing radio licences and the collection of fees.

Witness retired.

Mr. Gladstone Munrray was recalled.

Mr. Murray continued with his submission to the Committee on the work of the Canadian Broadcasting Corporation.

The Committee adjourned to meet again on Tuesday, March 28th, at 11 o'clock, a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

OTTAWA, March 24, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. A. L. Beaubien, presided.

The CHAIRMAN: Gentlemen, I would ask you to kindly come to order. Since our last meeting I have received a letter from the Canadian Association of Broadcasters, Metropolitan Building, Toronto, which reads as follows:—

My Dear SIR,—Through our counsel, Mr. Aimé Geoffrion, K.C., this association asked for the privilege of being heard by your committee, and we understand that you graciously acceded to our request.

Since then a committee composed of representative members of our association from Halifax to Vancouver has met with the governors of the Canadian Broadcasting Corporation, yesterday and to-day, and we believe that we have laid the basis for a solution of those things that have troubled us. We have been assured by the chairman of the board that our right to continue is recognized as being inherent in Canadian broadcasting, and we have been assured that whatever seems reasonably necessary to enable us to compliment the service being given by the corporation and to improve and extend our facilities in the interest of the listening public will be granted to us.

We have made a number of suggestions to the board of governors, and those suggestions are being considered, we are assured, with real sympathy and understanding. It is too soon to say how matters will work out, but we are concerned for the future of broadcasting in Canada, and are anxious to make our maximum contribution to its advancement. This the board now appreciates, and we think it is in the public interest that we be left alone at this time to solve our mutual problem. For us to appear now to bring out grievances which we think are in process of settlement would not be helpful, and for that reason we ask permission of your committee to withdraw our request for a hearing.

Yours very truly,

HARRY SEDGEWICK,
President, Canadian Association of Broadcasters.

At our last meeting I think it was understood that Mr. Rush would still be on the stand.

Mr. HÉON: I should like to make a short statement. I made a suggestion the other day to Mr. Gladstone Murray with regard to a program of employment, and I want to thank him, on behalf of this committee, for his kind and courteous attention.

The CHAIRMAN: Thank you, Mr. Héon. Gentlemen, Mr. Rush has, I think, one very short statement to make. But before proceeding with it, I think he wants to make two or three corrections.

W. A. RUSH, controller of radio, Department of Transport, recalled.

By the Chairman:

Q. Is that the situation, Mr. Rush? You have one or two corrections to make?—A. Yes, please.

Mr. SLAGHT: As a matter of privilege, I wonder if I might make a short observation. My friend Mr. Gordon Ross at the last meeting made some very severe strictures with regard to the publisher of the *Globe and Mail*.

The CHAIRMAN: What page is that, Mr. Slaght?

Mr. SLAGHT: I have not the page number.

The CHAIRMAN: Never mind. I will find it.

Mr. SLAGHT: It is at page 198, Mr. Chairman. There was a short discussion with regard to the matter, and Mr. Ross, I rather take it, made it clear that he was not directing himself particularly to Mr. William Wright. If I understood Mr. Ross aright in that regard, then I have nothing further to say; because Mr. William Wright is a friend of mine for whom I have the greatest respect, and I make these remarks lest it should have been thought that there was a reflection on him. He went through the South African War. Then he volunteered as a buck private, when he was a millionaire, and went through the Great War. He is a man who has made recent contributions to hospitals, and I do not think we have any quarrel with Mr. William Wright in this committee. I should like to pay high tribute to him, and I am glad to know that Mr. Ross was not striking at him personally in that regard.

The CHAIRMAN: All right. Will you proceed, Mr. Rush?

The WITNESS: Mr. Chairman, there were just two small corrections which I should like to make in some figures which appear in the report of the last meeting. At page 202, in reply to a question by Mr. Martin, the answer should be:—

A. Very small; \$4,275 this year. On page 204, Mr. Turgeon asked a question which I answered, and then went on with a statement. There was a slight difference in the figures there. In the report it reads:—

The Canadian Broadcasting Corporation officials also estimated a revenue of \$2,270,000—

That should be \$2,750,000. I shall not read all of this but, if I may, I shall give it to the reporter.

By the Chairman:

Q. You want that \$2,270,000 changed to \$2,750,000?—A. Yes.

By Mr. Héon:

Q. What page is that?—A. Page 204, in answer to a question by Mr. Turgeon. There is a slight difference in the phraseology of the answer which I am submitting.

Q. In other words, you want to add half a million dollars?—A. And we think we will get it. There is also a slight error on page 209. They have the fiscal year there as 1927-1938, whereas it should read 1937-1938.

Q. What page is that?—A. Page 209. Shall I go on, Mr. Chairman?

The CHAIRMAN: Yes.

The WITNESS: At the last meeting Mr. Isnor suggested that we co-operate with the provincial governments with respect to radio licences in motor cars. We have received from Alberta, British Columbia, Manitoba, New Brunswick, Prince Edward Island and Saskatchewan, offers of co-operation. So we are glad to have your suggestion, Mr. Isnor.

By Mr. Isnor:

Q. Right now I would suggest to you, Mr. Rush, that you follow it up with the other provinces.—A. They have turned it down for the time being. We are hoping they will come around.

[Mr. W. A. Rush.]

By Mr. Héon:

Q. Have they given any reply?—A. Well, Nova Scotia: regret not prepared to co-operate due to local difficulty; Ontario, to be placed before provincial government; Quebec, not prepared to co-operate at present time. They are not definite turn-downs. We think they will help us later on.

By Mr. Isnor:

Q. Having regard to the answer from Nova Scotia, I should like to know what your question was. What did you ask them?—A. It is quite a long thing.

Q. Will you just tell me, in general, what you asked?—A. We told them what the situation was and asked if they would co-operate; we asked if, when they were issuing motor car licences, they would also ask the motor car owner if he had a radio; and if so issue him a licence.

Q. Perhaps I may be able to assist you in your work, Mr. Rush.—A. Thank you very much.

By Mr. Héon:

Q. You would have had the provincial revenue collector in each province issue the radio licence to the motor car owner?—A. The provincial authorities looking after the licensing of motor cars.

Q. Yes.—A. We asked them if they would co-operate and ask each applicant for a motor car licence if he had a radio set in his car.

By Mr. Isnor:

Q. Just for information?—A. Just for information. May I read this, Mr. Chairman?

The CHAIRMAN: Yes.

The WITNESS: At the last meeting of the committee I gathered that one or two of the members were doubtful of my statement respecting the extra cost involved in handling an additional type of receiving licence. The radio division would like to have the privilege of having any member or members of the committee visit the recording branch, so that they could see exactly what is involved where a different type of licence is introduced.

Our recording system is, I am informed, the most up to date in Canada, and probably handles the largest mailing list in the Dominion, as the latter, in our case, consists of approximately a million and a half names and addresses. That is all I have to say.

By the Chairman:

Q. While you were on the stand at our last meeting you did not tell us the percentage of people who paid their licence fees voluntarily without being interfered with. Can you get us that?—A. Yes. We find that 81 per cent of the licencees pay their licences by the middle of October; and it is only after that date that we have to put any pressure on at all. Of the total revenue, 50 per cent comes in during the first eight weeks.

By Mr. Heon:

Q. How many notices are sent to the delinquent owners before they are sued?—A. We mail, first of all, a card on the 1st of April advising them that the licence has expired. Then, about the middle of September, we send out another notice to all those who have not renewed their licences. At the same time, before starting prosecutions, through the kindness of the CBC there is broadcast a notice three times a week for two or three weeks. That is done before we start, and kept on all during the Fall. We hate prosecutions as much as the people who are prosecuted.

Q. I must admit that, from the political point of view, it is poor propaganda.—A. Yes. It is one of our worst duties.

By Mr. Hamilton:

Q. Do the merchants who sell radios advise you as to whom they sell them? Do they give you a list of the names and addresses?—A. We have had great difficulty in that way. We asked them, in the first place, if they would do that, and we did not get much co-operation. Then a regulation was passed making it compulsory for a radio dealer to see that the purchaser of a radio set had a licence.

Q. That is not being done, is it?—A. I would hate to say that it is being done 100 per cent.

Q. I have every reason to believe that it is not being done. It occurs to me that it might be very advisable, and very beneficial, if there was a regulation—I think it would be lived up to more than the other type of regulation—to the effect that a merchant selling radios, at the end of a certain period—a month or whatever period may be decided upon—shall submit a list to the department or to your branch, so that you can supply whoever is selling radio licences with an up-to-date list, from time to time, as these radios are being sold.—A. Yes.

Q. I have reason for saying that. I think you would make a great step forward if it could be worked out in some way—and at the same time you would relieve these merchants of a responsibility they do not like—that it would be compulsory for them to submit a list of all the sales they have made, with the names and addresses, as a source of information for the vendor of the radio licences, who can be kept posted up-to-date.—A. Yes. The present regulation No. 66, section 3 (d) reads:—

No person shall sell any radio receiving set to any person for installation or operation until the purchaser has produced for inspection by the vendor his licence to operate such set.

In Ottawa we have carried out the very experiment you suggest. Unfortunately, it is not 100 per cent perfect yet; and we have written to all parts of the country asking for the reaction to changing this regulation to one asking for names and addresses of the people they sell them to. I must say our minister would be quite willing to make a change of that sort if the committee would recommend it.

By Mr. Woodsworth:

Q. You spoke of co-operation?—A. Yes.

Q. Are there any penalties for failure to do so?—A. No, sir. We do not impose any.

By the Chairman:

Q. Have you anything in your regulation to the effect that a radio repair man cannot repair a set that has no licence?—A. Yes; that is the next one, section 3 (e) of regulation 66, which reads:—

No person shall repair or maintain a radio receiving set until the owner thereof produces to such person his licence to operate such set.

Every manufacturer has to put a notice on the set he manufactures that it must have a licence.

By Mr. Heon:

Q. What is the penalty for disobeying that?—A. Well, I suppose the usual \$50. We hate to enforce these things. We would far rather have co-operation, if we can get it. We try for that all the time.

[Mr. W. A. Rush.]

Q. It would cost too much to enforce it; it would entail too much policing.—A. It would cost too much. Not only would it cost quite a lot, but it would cause a lot of ill feeling.

By Mr. Bouchard:

Q. At the last meeting, I asked if there were any prosecutions in my constituency. Were there?—A. There were none sir, in your constituency.

Q. There were none. Thank you very much. I was quite sure of that when I asked the question.

By Mr. McLean (Melfort):

Q. I am not a member of the committee, but it is usual to grant members of the house the privilege of asking questions. I should like to ask if those two regulations are enforceable?—A. Yes. They are enforceable all right, but they would cause a lot of trouble, I suppose.

Q. But you have authority to enforce them?—A. Yes.

By Mr. Isnor:

Q. Is that section 52 that you have just quoted?—A. Have you a copy of the regulations?

Q. No.—A. I will give you a copy which I shall mark for you.

Q. Thank you.

The CHAIRMAN: Do any other members wish to ask Mr. Rush any questions?

Mr. THOMPSON: Mr. Chairman, I have been wondering whether a better system could not be adopted for collecting this tax and for locating the radios. For many years I was clerk of a large municipality. I was just thinking of the manner in which we located the dogs and got our dog tax. The assessor went around to every house; he found out how many dogs they had and he put it on. They were taxed and had to pay the tax. Of course, I understand this is a federal matter; but some arrangements might have been made with the different municipalities. They have an assessor who calls at the homes every year. He could find out who had a radio and who had not.

Mr. BOUCHARD: They do not do that in our province.

Mr. THOMPSON: They do not assess in that way?

Mr. BOUCHARD: No.

Mr. MACMILLAN: They do not do it in Saskatchewan, either.

Mr. THOMPSON: I was speaking only for the province of Ontario. If that system is not followed out in the other provinces, then the value of the suggestion would be minimized. I do think some arrangements could be made with the municipalities whereby they could do that.

Mr. BOUCHARD: I was just thinking, Mr. Chairman, that perhaps we could leave not only that receipt but something in the shape of a button, a plate or something like that, which could be put somewhere—perhaps at the door—indicating that the licence has been paid.

The CHAIRMAN: Like quarantine tags.

Mr. HÉON: Something like smallpox tags.

Mr. BOUCHARD: People are fond of decorations, something that will decorate their homes. Now they just receive a little slip of paper filled out in pencil. That is not very attractive. On the other hand, they do not know where to put it. That is a rather serious question. Instead of that, if you had some very distinctive button or plate, just mentioning the year and so on, the people would be proud of that and they would put it in a very con-

spicuous place. At least they would be receiving something of metal in return. They would have something to show and something to stick up somewhere. something which would stay there. I offer that as a suggestion.

The WITNESS: Thank you very much.

By Mr. Slaght:

Q. May I ask why we would not go a long way towards reaching our objective if we could simply hold the dealers responsible in each case? I can imagine that certain radio sets might be transferred or sold afterwards; but it seems to me that we do hold the merchants and dealers responsible in a great many other lines. Why could they not be definitely held responsible as under the present regulation?—A. Well, the radio dealers object to that very much. They look upon it as a restraint of trade. We would have a great difficulty in enforcing it, in making them do these things.

Q. For instance, it is not permissible, in a number of provinces, anyway, to have firearms. I think that regulation is fairly well complied with.—A. Well, of course, that is similar to our present regulation.

Q. Of course, it is very easy to trade firearms. It might be just as easy with a radio.—A.

Q. But I cannot quite see why it is so difficult to enforce this, except that the people are not as yet familiar with this new mode of procedure. It is a new service.—A. This regulation has been in effect for several years, and we have not had the co-operation of the dealers. Whether we should prosecute them or not, I do not know.

By Mr. Thompson:

Q. What about the transfer of radios? That is frequently done?—A. Yes.

Q. A man has a radio; he sells it to somebody else and gets a better one. That is constantly being done?—A. Yes.

By Mr. Bouchard:

Q. What about a radio coming from the United States? There are quite a number?—A. Yes.

By Mr. Woodsworth:

Q. I am not at all familiar with the exact mode of procedure in the case of firearms, which has been mentioned. How is that kind of thing managed?—A. I am not familiar with that.

Q. What is more difficult in the case of radios than in the case of firearms?—A. It should not be; but the dealers do very seriously object.

Mr. HEON: In the case of firearms, you cannot buy them without a permit.

Mr. BOUCHARD: Without objecting to Mr. Woodsworth's viewpoint, I may say it would not cover the whole ground; because if I bring in a radio—as I did—from the United States, there is no record.

Mr. SLAGHT: We could get that by letting the customs man insist on a licence as part of the customs duty.

Mr. BOUCHARD: That might be. But what about buying a car? If I go and buy a car, for instance, could I take the car without buying a licence? Or is there a different regulation about that?

The CHAIRMAN: You can, on your own responsibility.

Mr. BOUCHARD: On my own responsibility. I think we can compare radios with cars better than with firearms, because firearms come under the Criminal Code. That is a different matter altogether.

[Mr. W. A. Rush.]

By Mr. Heon:

Q. Are the dealers not now bound to issue a licence when a radio set is sold?—A. They are not bound to issue one. They are bound to see that the person who purchases the radio has a licence; and we have always tried to make it convenient for the dealers by letting them have licences to sell to their customers. But they do very seriously object to it.

By Mr. Johnston:

Q. You say that is sort of looked upon as a restraint of trade?—A. That is what they claim.

Q. And it would be rather costly to enforce. Therefore, your regulation is ineffective and might just as well not be on the books?—A. You must not forget that we have a limited number of inspectors to enforce this law; whereas in the case of firearms, the whole police department is available for enforcing it.

By Mr. Heon:

Q. Would it not be fair for a dealer to say to a customer that the regulations are such that he must have a licence to take this radio set out of the store?—A. We think it is fair, but they do not. Whether we should prosecute them now or try to get some arrangements that would be more readily adopted by them, and help them, is a question of policy, of course.

By Mr. Isnor:

Q. I think the main objection that the storekeeper has is because of section 52; I think that is the proper section. It prohibits them from allowing a machine to go out to a customer for demonstration purposes. That was their main objection to pressing the reporting of it.—A. That is very definitely covered. They are not allowed to send a set out without a licence.

Q. I think that is the reason for the objection. If they were allowed to do so, I think it would overcome the objection. Last year the maritime members made a recommendation to the Minister of Transport, in which it was suggested that an amendment to clause 52 might possibly make it easier to enforce that particular clause.—A. We think we make it very easy. We allow them to take out so many portable licences. If they have ten sets, they have to have ten licences. Then as soon as a set is sold, the licence is available for the next set they send out. So we are not hard on them.

Q. I have not the section here, so I cannot say.

Mr. HAMILTON: Mr. Chairman, may I say, with reference to firearms and radio licences, I think there is a very definite distinction between them. The radio licence is looked on, of course, as a tax—as it is. I think what the merchants object to—or what they say they object to—is becoming tax collectors for the federal government, and in the process of tax collecting, possibly losing a sale, when they are somewhat suspicious that somebody else will not lose a similar sale for the same reason. If they carry the regulation out, they have to see that the person has a licence before the radio is sold. My thought is to put the process the other way round, letting them sell the radio and then letting the government be the tax collector, securing the information from the vendor. This does not interfere with the sale in any way. After the event he merely sends in a formal report indicating the people to whom he has sold, and their addresses. Then it is up to the federal government to have the tax collectors—a not very popular job—carry out that unpopular feature of it.

Mr. JOHNSTON: Following up Mr. Bouchard's suggestion, I should like to say that I can quite see where it would not be, possibly in the best interests to have a sticker plastered on each house; but I can see that there might be

some value in his suggestion with regard to a car licence. There are various people—the police or any one else—who know whether a car possesses a radio licence. They may have a radio there. Why could not some kind of windshield sticker be put on there? You have to buy a car licence from the provincial government. You get a piece of tin to put on your car. Would not a windshield sticker be very effective in this case and be quite noticeable, yet not interfere with the vision at all? If you go down to the States you get your windshield all plastered up with the things. Why would it not be a very convenient and possibly essential that there be a windshield sticker indicating whether you have your licence for that car radio or not? I think the suggestion which Mr. Bouchard has made might be applied in that case.

The CHAIRMAN: Does any member wish to ask Mr. Rush any further questions?

By Mr. Slaght:

Q. Have you given us, Mr. Rush, an estimate of the radios on which we think we have not been paid a licence fee? Perhaps Major Murray gave us some figures. I have forgotten.—A. Yes, approximately.

Q. Is there a percentage?—A. Approximately 250,000.

Q. 250,000 which we are not getting paid for?—A. That is right.

Q. Out of how many?—A. That is, we are issuing 1,200,000 now. I would say perhaps the total would be 1,450,000 at the outside. But we must not forget that there are quite a number of families on relief—perhaps 100,000.

Q. Those are exempt?—A. They are not exempt exactly, but we do not worry them.

Mr. Héon: They are not being forced.

By Mr. Slaght:

Q. Your figures would give us, roughly 150,000 machines for which we are not getting \$2.50?—A. Right. It is very difficult to give an exact estimate, but I would say approximately that.

By Mr. Héon:

Q. Did you say there were 100,000 relief cases?—A. I would estimate that. There are 183,000 families on relief, I think; if we take a corresponding percentage, it would give between 90,000 and 100,000.

By Mr. Bouchard:

Q. Including the blind?—A. The blind are free. They are included.

The CHAIRMAN: In the dried-out areas in Saskatchewan the collection of licence fees has not been enforced. You have quite a number there. Are there any further questions members wish to ask of Mr. Rush?

Mr. HAMILTON: I do not want to bring it up again if it was brought up before—I was not here the other day—but I should like to mention the subject of a possible different method of collecting licence fees. Was that discussed here the other day?

The CHAIRMAN: It was not discussed. We tried to get from Mr. Rush the increase of licences through the method of collection, the numbers collected and so on and so forth. I think the members of the committee have made quite a few suggestions which will enable Mr. Rush and his officials to study the matter and make the collection of licence fees more effective and less annoying. But so far as the question which Mr. Martin raised is concerned —whether the money needed for radio broadcasting should be taken from the Consolidated Fund instead of by a radio tax—that has not been discussed.

[Mr. W. A. Rush.]

Mr. HAMILTON: Then I have a question to ask, if that has not been discussed.

The CHAIRMAN: Mr. Gladstone Murray, the manager of the CBC—at the request of Mr. Factor—did give us a breakdown of what the reduction of the licence fee to \$2, reducing the revenue by around \$650,000 of \$700,000, would mean in the way of preventing progress of radio and giving service to the different parts of Canada. That is all that was done in regard to that.

By Mr. Hamilton:

Q. Mr. Rush, may I ask this: Has the department considered the advisability and feasibility of centering the radio licence vending in a central office, in charge of an official for that purpose, in urban centers, at any rate, and withdrawing it from such places as banks, stores and post offices? Has it considered putting it in the hands of one man—as I think, has been done in the case of motor car licences—in the urban centres, at any rate, making him responsible for seeing that all owners of radios are visited, and making him responsible for seeing that every radio in his section has a licence?

The CHAIRMAN: I may say that that was gone into very extensively by Mr. Rush at our last meeting.

Mr. HAMILTON: I am sorry.

The CHAIRMAN: Mr. Rush gave the number of constituencies where there was only one vendor.

Mr. BOUCHARD: I beg your pardon, Mr. Chairman; but it was about the rural sections that he was speaking.

The CHAIRMAN: You are speaking of the rural sections?

Mr. HAMILTON: No.

Mr. BOUCHARD: He is speaking of the urban centres. Nobody spoke about that.

The CHAIRMAN: Can you answer that, Mr. Rush?

Mr. HÉON: Can you tell us, Mr. Rush—

The CHAIRMAN: Just a minute, Mr. Héon. Mr. Rush is going to answer Mr. Hamilton first.

The WITNESS: We have not tried that system in the cities, sir. We have our radio inspector in most of the larger centres. He is responsible for seeing that collection is made. We have always found that it is better to make it as convenient as possible for the people to get their licences. In the cities I do not think we should alter our present system. We have gone into it very thoroughly. As far as rural districts are concerned, Mr. Bouchard, we tried an experiment last year and it was successful in the rural areas. We are quite willing to consider a further application of that principle. But I should be very sorry to see any alteration made in the cities.

By Mr. Isnor:

Q. Can you give us the total cost of the collecting of licence fees, giving not only the amount paid in commissions but an estimate of the cost of office staff employed in keeping track of it?—A. I can give you the figures for ten years, if you want them.

Q. No, just one year; last year will be all right.—A. You want the total amount paid in each?

Q. For commissions, plus estimate of office staff employed in collecting fees.—A. Well, our cost of collections of \$126,000 last year does include all the clerical staff employed and the machinery at the recording sections. The commissions, I think, were about \$184,000, in addition to the \$126,000 for last year. If you want the exact figures, I can give them to you.

Q. I think we should have them on the record for last year.—A. \$126,454.18 was the cost of collections; that includes all the salaries you mentioned, Mr. Isnor. The commissions amounted to \$184,762.50.

By the Chairman:

- Q. Is that commissions?—A. That is commissions for last year.
Q. That is for commisions?—A. Yes.

By Mr. Isnor:

Q. That is a total cost of \$315,000, roughly?—A. Approximately that—\$311,000, I should say. Do you want that on the basis of cost per licence?

Q. No; I can figure that out, I think.

The CHAIRMAN: You wanted to ask a question, did you not, Mr. Héon?

Mr. HÉON: Yes.

By Mr. Héon:

Q. Can you tell us, Mr. Rush, how many delinquent radio owners were prosecuted for failure to pay their licence fees last year?—A. Yes.

Q. And at what cost?—A. Yes. That is a profitable job. Do you want this year or last year?

Q. Just one year, or possibly the last two years.—A. All right, sir; I will give you the last two years. This year, to date, there have been 5,778 prosecutions. The returns are not all in, but up to the moment we have taken in \$4,885 in fines; and the expenses are about \$320.

By Mr. Dupuis:

Q. Have you got that by provinces?—A. Yes. Do you want it by provinces also?

Q. Yes.—A. British Columbia, 435; Alberta, 414; Saskatchewan, 734; Manitoba, 236; Ontario, 2,481; Quebec, 671; New Brunswick, 273; Nova Scotia, 425; Prince Edward Island, 109. That is for the current fiscal year to date.

By Mr. Héon:

Q. At what cost to the commission?—A. What cost?

Q. Well, to cover the cost of legal fees.—A. Lawyers' fees are \$196 this year, but the bills are not all in; and costs, \$127.

Q. What about last year?—A. I will give you that now.

Mr. JOHNSTON: Lawyers should donate that service to the state.

Mr. HÉON: I understand they do.

The WITNESS: Do you want it by provinces last year?

By Mr. Dupuis:

Q. Yes. That is for 1937?—A. 1937-38. The total was 2,705; British Columbia, 189; Alberta, 116; Saskatchewan, 81; Manitoba, 120; Ontario, 1,367; Quebec, 375; New Brunswick, 166.

Mr. DUPUIS: Mostly from my county.

The WITNESS: Nova Scotia, 211; Prince Edward Island, 80. The fines amounted to—and this is the total for the year, of course—\$6,693.75; lawyers' fees amounted to \$584.95, and costs that we had to pay amounted to \$194.20.

By Mr. Dupuis:

Q. That covers the whole country?—A. Yes; that is the whole country.

[Mr. W. A. Rush.]

By Mr. Héon:

Q. So that, roughly, there were twice as many prosecutions last year as there were the year before?—A. Yes. We had to make a special effort to get enough revenue for the CBC.

By Mr. Thompson:

Q. Is it a fact that your inspectors have been more active in Ontario?—A. No; I do not think so.

Q. Or did they think they had a better chance of collecting?—A. It might have been that.

By Mr. Dupuis:

Q. Have you got the statistical information in regard to those who have been prosecuted, as to how many there were or what proportion there were who were prosecuted after they had paid their licence fee?—A. Well, I think I can answer that question by saying "none."

Q. None?—A. They may have taken a licence out after the inspector called and before the actual court case was held.

Q. Yes?—A. But otherwise, there would be none. If a man has a licence before he is called on, we withdraw the case immediately.

Q. If I give you a specific case, maybe it will help. I will take the city of Marieville in my constituency.

Mr. HÉON: Town or city?

Mr. DUPUIS: City, of course.

By Mr. Dupuis:

Q. There were seventeen who paid their licence fees after the inspector passed. The inspector passed on the 17th of November or the 18th. They all paid to the post office. In January, sometime around the 14th or 15th, the middle of the month, they were prosecuted because they had not paid on time.—A. But they had not paid when the inspector was there.

Q. That is all right. But afterwards they had paid. Why prosecute them?

—A. They all do that. We would never get anywhere if we did not carry out the prosecutions. I mean, it would just be a waste of effort.

Mr. HÉON: I have had those cases too, I might say.

The WITNESS: They crop up everywhere.

By Mr. Johnston:

Q. Were there any prosecutions where there was no notice given to the radio owner?—A. No.

By the Chairman:

Q. In cases where you find out after you have instituted proceedings that their licence has been paid, do they have to pay costs?—A. Yes; it is a court case just the same, if they did not have a licence when they were called on. If we find out they had a licence before we called on them, we withdraw the case.

Q. After that they must pay a fine and costs?—A. Yes.

By Mr. Dupuis:

Q. Have you any record to show what was the amount of fines paid in each province?—A. Yes. I think we can give you that.

Q. Not the total amount.—A. I have not got that broken down.

Q. The individual amount is what I want.—A. I can give it to you by provinces.

Q. By provinces?—A. By provinces. Would you like that?

Q. No. I will explain what I mean. In some cases the radio owner was fined \$5; in other cases one dollar, and in other cases costs only.—A. We have no control over the magistrate.

Q. I beg your pardon?—A. We have no control over the magistrate. He assesses the fine.

Q. As a matter of fact, it is the inspector or the representative of the radio licence collector who indicates to the judge the fine to be imposed.—A. Well, they are instructed to ask for a fine not greater than \$5; but it is the privilege of the magistrate to say what the fine is to be. If he makes it \$1, \$2, \$3, \$4 or \$5—whatever he makes it, it is in his discretion.

Q. It is immaterial to the magistrate?—A. That is our experience all over the country. They ask for a maximum of \$5, but not more.

By Mr. Hamilton:

Q. I want to go back to what I was at before. I agree with you that it is probably difficult and perhaps inadvisable to centralize the collection of radio fees in one place in a city because of the fact—and I appreciate it—that you are withdrawing places at which the people can drop in and pay their licence fee. But it does not get away from one difficulty. It is not only a case of the revenue we are losing but there is a sense of injustice amongst those who are paying the radio licence fees. The comment that we have been hearing—and I hear a good deal of it in my town, which is Sault Ste. Marie—is that so many are not paying licence fees while others are willingly going in and paying them. It is to get over that situation that I am anxious to have some solution, whereby you can induce good men to take this job on—men who will give it their attention and will take the responsibility of seeing that these licence fees are got in. I do not know how you find it with reference to other sections of the country, but it is very difficult to get anyone interested in taking on the job of selling radio licences up in my section of the country. I should like to ask you, first, if you have any difficulty in obtaining the services of good men as vendors of radio licences?—A. I would say "no," sir. Of course, they vary. Some are better than others, I suppose. But, generally speaking, I would say no.

By Mr. Ross:

Q. In giving your figures a moment ago in regard to the amount of money procured by prosecutions and the cost of prosecutions, you gave only the money procured from fines. In each case they had to buy their licence as well, do they not?—A. Oh, yes, certainly; each one had to do that.

By Mr. Hurtubise:

Q. As we are coming to the end of the fiscal year and your canvassers are soon going to start on the collection of fees for new licences, I think this committee should come to a very clear understanding in the near future. From the discussion that has taken place at the last meeting and this one, are we to understand that it would be the policy of your organization to centralize the authority for the collection of licence fees in the rural parts under one man, and leave the collection of licence fees in cities under many heads, with a multiplicity of responsibility and overlapping of work? Is it your intention to continue under that policy?—A. Yes. As far as rural constituencies go, we would be quite willing to consider a sole issuer; but we would have great objection to a sole issuer in the cities.

Q. I do not want you to admit anything, but are you of the opinion that the cause of there being so many delinquents in that line is due to the fact that the responsibility is divided and that there is overlapping of work? We

[Mr. W. A. Rush.]

do not know who is responsible in the city. If there was one man responsible in the city—even if he had the supervision of the different vendors—in each urban municipality, I, for one, believe that you would have far fewer delinquents. Now they do not know who is responsible, who is the "big stick," and they try to delay as much as they can and avoid paying the licence fee. I think that is the case.—A. The department is the responsible authority for the city.

Q. What is that?—A. The department is the one that sees that they take out a licence in the city.

Q. The department is a very vague authority.—A. No.

Q. You must have one man to represent it.

By Mr. Héon:

Q. Is the department represented by one man in each urban centre, at least?—A. I would say no, sir.

Q. What happens if you have not got a representative of the government in one of the urban centres?—A. As I said a little while ago, you must not forget that 81 per cent of the people take their licences out willingly, and there is no trouble at all. I do not think you would improve it no matter how you changed the system.

By Mr. Hurtubise:

Q. I am only speaking of those who do not take out their licences. I am glad to hear that 81 per cent of the people pay their licence fees.—A. Willingly.

Q. Without being asked to.—A. Practically.

Q. But to take care of that 19 per cent who are not very inclined to pay, or who are even rather inclined to avoid payment, is what I am concerned about. It is to take care of those fellows that I am making the suggestion. I think if there was a well-known official authority in each urban municipality, they would abide by the law much better.—A. Possibly so.

By Mr. Thompson:

Q. What are those radio inspectors paid? Are they paid upon the number of licences?—A. Are you talking about the radio inspectors of the department?

Q. I mean those who are going around checking?—A. The canvassers?

Q. Yes, the canvassers.—A. A supervisor, if he is in charge—the total commission is 25 cents per licence.

Q. On licences that he finds have not been paid?—A. Any licence that is issued, yes.

Q. In regard to that I might say that some few years ago I was asked to appoint a supervisor for Lanark County. He was to go out and check up all over the county, on all radios that were not licensed. He came into one town and it was noise abroad that he was there. There were some fifty licences sold that day. There was one vendor of licences there. The supervisor went over to his books and got the names and addresses of every one of those, and they were all reported.—A. Yes?

Q. But he was never paid for it. He went over the county and got them. But for the simple reason that he did not go and call at each one of those people's homes, that man has not been paid yet. He made a thorough job of the county of Lanark. He was one of the best men that could have been put on the job. He followed them all up; but unless he could show the day and date that he had called at each particular home and found that the licence was not there, he could not get paid. I know that, in one town where he got nearly fifty, all had taken out their licences after they found he was in town; and he went to the vendor and got a copy of their receipts. But he was never paid for it.

Mr. HAMILTON: Mr. Chairman, not in any sense being critical—because I appreciate this is a very difficult matter—but only in an effort to do as others have done, namely, contribute ideas that may be of assistance, I should like to say a few words. Having in mind what Mr. Rush has said as to the policy of going into a rural section and allowing a single collector to go out and do the collecting but not doing that in the urban centres, my thought is that in my constituency I would just reverse that. In other words, in the small outlying rural places where, as I understand it, they now go to the post office and get their licences, I doubt if it would pay for the gasoline of the man going those distances for the few radios that are there. If the right to pay into the post office was withdrawn from them, it would make a very real inconvenience. Of course, I suppose then they are not bound to pay unless the man called at their place.

The WITNESS: That is one thing.

Mr. HAMILTON: There may be a distinction between a city of 20,000 or 25,000 and a city like Toronto or Montreal; but in the smaller cities where they have, as I have mentioned, one place where they sell motor car licences, it will be a slight inconvenience—there is no doubt of that—to have to go to a central down town office to get their radio licences. But they do not need to do that if they are prepared to pay when the vendor comes around for a house to house canvass, which I presume he is supposed to do. I just leave it as a thought, without being decided in my own mind one way or another, as to whether the inconvenience that the public might be put to might not be justified by the greater efficiency and the assurance of securing the maximum number of radio licence fees. I just leave it at that.

The WITNESS: Thank you very much, Mr. Hamilton. We will consider that.

Mr. HURTUBISE: A little while ago I discussed a general principle; but to follow up Mr. Hamilton's remarks, may I offer my own personal opinion?

The WITNESS: Please do.

Mr. HURTUBISE: Because, after all, we are in weekly contact with groups of individuals discussing the same matter. This is not a new discussion. It is discussed year in and year out. We feel the difficulties not only of the department but of the different individuals. My humble suggestion would be pretty much in line with that of Mr. Hamilton, namely to leave the collection of the rural licences in the hands of the postmasters; and in the cities, even if you leave it in many hands, have one man in authority, so that every booklet of licences would have to go through one man. Let them be sold by as many as you like after that, but in urban places they should pass through one man. I think you would avoid all kinds of troubles and difficulties in that way.

Mr. BOUCHARD: I do not agree with the first part of Dr. Hurtubise's remarks in which he dealt with rural districts.

Mr. HURTUBISE: It is a personal opinion.

Mr. BOUCHARD: I know. A member of parliament is not supposed to have personal opinions.

Mr. HÉON: He very seldom has.

Mr. BOUCHARD: The other day, I do not know whether Dr. Hurtubise was present or not, but it was accepted unanimously that with respect to the rural districts the system of putting everything under one head was the best one. There can be no contradiction about that, and I do not see any reason why we should at this time reverse the policy on which we decided. With respect to urban centres, I shall follow my usual custom in parliament with respect to cities, leaving it to the urban members to deal with affairs which are their direct concern; and I suggest that as a matter of courtesy we rural members should be permitted to deal with questions which are essentially our own.

[Mr. W. A. Rush.]

The CHAIRMAN: I think we have had a very frank and full discussion and I think Mr. Rush has obtained a lot of very valuable suggestions. After all, the responsibility belongs to the Department of Transport when it comes to the collecting of licence fees. I think Mr. Rush and his officials will benefit materially from the suggestions which have been made here. I understand from Mr. Rush that he is willing at any time to discuss the business of collecting licence fees in any riding, in a constant effort to improve the service.

By Mr. Isnor:

Q. I would like to have Mr. Rush put on the record the number of licences sold through radio dealers, banks, radio inspectors, accounting post offices, staff post offices, the R.C.M.P., and as well by the house-to-house canvassers?—A. Do you want it right now?

Q. If you can put it on the record.—A. How many years would you like?

Q. Last year.—A. You want just percentages, or number of licences?

Q. Have you both there?—A. Yes. For the fiscal year 1937-38 radio dealers, 1,658. Number of licences issued—you want that also?

Q. Yes, I would like to have it all.—A. Number of licences issued was 202,988 or 18·4 per cent of the total. Through the provincial banks, 135 issuing, they issued 12,600 licences, 1·1 per cent of the total. The Bank of Commerce through 371 branches issued 17,132 licences, 1·5 per cent of the total. Part-time radio inspectors, of whom there were 19, issued 760 licences, 0·06 per cent of the total. Accounting post offices, 6,220 in number, issued 325,447 licences, being 29·5 per cent of the total. Staff post offices, 166 in number, issued 132,741 licences, or 12 per cent of the total. R.C.M.P. 438 detachments, issued 1,293 licences or 0·1 per cent of the total. House-to-house canvass—190 supervisors—issued 398,512 licences, or 36 per cent of the total. The balance were issued without commission. Is that the information you require, Mr. Isnor?

Mr. ISNOR: I think that gives me what I wanted. Thank you.

By Mr. Dupuis:

Q. Do I understand that in future your policy, as indicated by circulars, copies of which we have received, is to be that returned soldiers are to be appointed as collectors; are those people who are now in charge of collecting licence fees in our individual ridings going to be dismissed or continued?—A. Well, sir, that is a question for the minister, I presume; to decide what should be done there. He has arranged, I understand, that returned soldiers should be appointed for the work.

Q. Those people who are actually in employment now are going to be continued?—A. Generally speaking I think the idea is to get returned soldiers, sir.

Mr. HÉON: I gather from the circular which was sent out by the B.E.S.L. to their branches that those who are acting now would not be disturbed, they would only be concerned with new appointments; would that be correct?

The WITNESS: I would not think so. I think that reference would be to departmental officials, they would not disturb any departmental official.

Mr. HÉON: I am quite sure that no changes were to be made with respect to appointments that were already made but in future all appointments would be subject to the returned soldiers' preference.

The WITNESS: As I understand the situation returned soldiers should be employed on the work.

The CHAIRMAN: Well, are there any further questions for Mr. Rush?

By Mr. Isnor:

Q. I would like to ask Mr. Rush in regard to any objections that he might have to eliminating all the various sources of collecting agencies with the exception of radio dealers in the urban districts and house-to-house canvassers?—A. I would not be in a position to give you an answer to that because it is a question of policy.

Mr. ISNOR: I think, Mr. Chairman, that has a very direct bearing on the point raised by Mr. Hamilton and others. I had in mind that if that course were followed it might result in the loss of certain revenue or appointment power of those at present receiving substantial salaries either from the bank, the R.C.M.P. or the employees of staff post offices and others mentioned; at the same time it might add to the appointing power of those who are actually carrying out the duties of collecting, for instance the house-to-house canvassers, and particularly so at the present time in view of the policy in regard to placing men on as house-to-house canvassers. I think that is the most important point that I would stress, the additional earning power to the house-to-house canvasser. You would then have two sources; the radio owner would go direct to the radio dealer if he so desired, or it would give the opportunity to the house-to-house canvasser to make a living.

By Mr. Factor:

Q. The postmaster does not receive the same amount as commission?—No, sir; 15 cents; and he is not allowed to canvass.

Mr. BOUCHARD: Might I make a suggestion, Mr. Chairman? I would suggest, because we are trying to build up something for the future, that we make the same experiment as the department did last year. Last year when I interviewed the officials of the department I met with the kindest reception, and they were prepared to change their policy so as to make this experiment, and this experiment has shown itself to be very fruitful. Because of that experience I would suggest to my colleagues that those who know the conditions best are the ones who can best make proposals to the department as to the line of conduct that should be followed—and there is no one who knows conditions in the locality better than the member of parliament. I am sure their suggestions would receive every consideration and experiments which appeared desirable could be carried out until their value was definitely determined.

By Mr. Hamilton:

Q. Do the postmasters get 15 cents?—A. The staff post offices; no, sir. They are salaried employees. The general post office here charges us 5 cents for each licence issued to cover the clerical expense.

Q. That would be true of most urban post offices?—A. There are 166 staff post offices—I should think about that. Then, there are a large number of what you would call accounting post offices.

Q. What do the banks get?—A. Fifteen cents. It is only the house-to-house canvasser who gets 25 cents.

By Mr. Dupuis:

Q. Have there been any cases where they have been getting 20 cents and the balance going to some official?—A. Where you have a supervisor and canvassers working under him the canvasser gets 20 cents and the supervisor 5 cents; he gets 5 cents per licence for organizing the district.

Q. Take, for instance, the city of Montreal, the canvassers get 20 cents and somebody else gets 5 cents. I am told it is paid to the people in charge of

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the office.—A. That is right, sir. We run it ourselves in Montreal, but as he is a departmental official he is not paid the 5 cents per licence.

Q. Do you do the same in other cities?—A. Yes, in several of them, Halifax, Winnipeg, Hamilton—yes, a dozen or more.

By Mr. Isnor:

Q. Why did you do away with the supervisor in Halifax?—A. Because we thought we could make a better job of it ourselves, Mr. Isnor. I do not know whether the results have proven that or otherwise. The organizer appointed the first time did not seem to organize the district very well.

Mr. HAMILTON: Is that an open offer?

By Mr. Heon:

Q. Can you tell us the percentage of licences that were collected through the banks for last year?—A. I gave you that figure.

The CHAIRMAN: It is on the record.

By Mr. Heon:

Q. I want the differences between this year and last year?—A. That is a good question. I can give you that. Would you like the year before?

Q. 1937-38.—A. Well, those are the figures I gave you before. I will give you 1936-37. You just want the banks?

Q. Yes.—A. 2·49 per cent for 1936-37; and last year it was 2·6 per cent for the banks, and this year 2·5 per cent. There is a slight drop.

By Mr. Slaght:

Q. Do I understand that your department collect only revenue from radio licences; that is your only source of revenue as regards radio?—A. You mean for the CBC?

Q. No, I mean your department as distinct from the CBC do the collecting, as I understand it?—A. Oh, yes sir.

Q. Is there any other revenue, such as advertising and that sort of thing—they handle that themselves?—A. That is quite right, sir.

Q. The licence fee is the sole source of revenue that you look after?—A. Yes, sir, for the CBC.

Q. Do you deduct even before you hand the money over a lump sum to cover your cost of collections?—A. Yes.

Q. Estimated on the number of civil servants who are engaged in this kind of work?—A. We have not the figures worked out exactly, but the treasury office deducts 6·25 per cent monthly.

Q. That is regarded as the cost?—A. Yes, subject to a final settlement at the end of the year.

Q. You turn that lump sum over to them and as far as you are concerned you are through with it?—A. The treasury office do that; that is right, sir.

By Mr. Dupuis:

Q. Is the licence paid by transmitters paid to you?—A. We collect all licence fees of every description.

By Mr. Héon:

Q. With respect to both receiving sets and broadcasting stations?—A. Yes, it comes under the authority of the Department of Transport to issue the licence.

The CHAIRMAN: Well now, gentlemen, if you have no further questions we will call on Mr. Gladstone Murray.

The WITNESS: May I express my appreciation to you sir, and to the committee for the very kind hearing.

The CHAIRMAN: May I express on behalf of the committee our thanks to you for the information you have given to us.

The WITNESS: Thank you sir.

Witness retired.

W. GLADSTONE MURRAY, General Manager, Canadian Broadcasting Corporation, recalled:

Mr. HURTUBISE: If you will look at the report at page 198 there was a question there asked by Mr. Bertrand. Mr. Bertrand said:—

If that is so, if it is true that some one on your staff did make such a statement, I presume you would take appropriate disciplinary action, would you?

And your answer to that was:—

The WITNESS: Yes.

Further on Mr. Stevens said:—

Q. Mr. Murray, I gather from your remarks that you purpose pursuing this matter to a conclusion—A. Yes.

Q. And if it is disclosed that such information came from an officer of the CBC that the individual responsible will be dealt with, I should think in a summary manner?—A. Certainly.

Q. On the other hand, if the contrary is demonstrated, then you will expect more complete correction on the part of the publication concerned?—A. That is right.

Now, has any further information been disclosed since that was said?

The CHAIRMAN: Where is that, doctor?

Mr. HURTUBISE: That is on page 198 at the top of the page.

By the Chairman:

Q. Are you prepared to make a statement along those lines, Mr. Murray?
—A. Yes, Mr. Chairman.

The committee will appreciate that I reluctantly find myself in a position where I have again to refer to the statements made by the *Globe and Mail* with respect to the broadcast of the address of the Prime Minister of the United Kingdom on last Friday. There is no desire on the part of the CBC to conduct a long-range controversy with such a distinguished newspaper as the *Globe and Mail*. There is, however, an important aspect of the question on which a report should properly be made to this committee.

On Tuesday of this week I was asked by members of the committee (Mr. Bertrand and Mr. Stevens) if disciplinary and summary action would be taken against any member of the CBC's staff in Toronto if it were established that he or she had given incorrect information to the *Globe and Mail*. It will be recalled that the newspaper asserted that it had been informed by an employee of the CBC that Mr. Kaltenborn's commentary had been carried by the corporation. It will also be recalled that I had ordered a full investigation into this statement.

As general manager, I am responsible for the actions of the staff. If, in the present case, a member of the staff had given out misinformation, I would have to take cognizance of it. On the other hand, if no such error was made,

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elementary loyalty to my staff does not permit me to allow so serious a reflection to go unchallenged. If the staff are subject to action for errors, they are equally entitled to look for protection when they have properly discharged their duties. I have had completed an exhaustive inquiry from every single member of the staff of the corporation in Toronto in whatever capacity, and everyone has signed the following statement:—

This is to certify that no information was given by me indicating that the broadcast by Mr. Chamberlain, which was carried over the Columbia Broadcasting System, with commentaries by Mr. Kaltenborn, would be carried on any CBC station or was broadcast from any CBC station. I further state that to my knowledge I was not in communication with any representative of the *Toronto Globe and Mail* re the above broadcast.

Miss D. King, who is a most competent and trustworthy person, further certifies that she was the switchboard operator on duty from 5 p.m. until midnight on Friday, the 17th day of March, and continues:—

During that time I had between 200 and 300 calls. The majority of calls were regarding the Chamberlain broadcast being re-broadcast. There were quite a few re Kaltenborn and I advised them that Kaltenborn is a C. B. S. commentator and would be on the C. B. S. chain and to contact CFRB. I remember the *Toronto Star* calling and gave them the above information.

In the circumstances which I have outlined, I cannot admit that Miss King or any other member of the staff was responsible for giving misinformation to the *Globe and Mail* on this subject.

That is my statement, Mr. Chairman. I would just like to add this, that I very much deplore the unfortunate incident which has arisen, and it is no part of my attitude to give the appearance of perpetuating a feud. The apology that was made was in all respects except one an entirely praiseworthy and satisfactory apology; but on that one point which involved my own sense of protection for my staff I felt it necessary to make what I hope will be the concluding statement in the matter.

Mr. BOUCHARD: The newspaper came out with that again.

The WITNESS: Yes. Mr. Chairman, with your permission I would hesitate to continue the controversy.

The CHAIRMAN: Now, Mr. Gladstone Murray, I understand that you wish to continue with your outline of programs.

The WITNESS: Mr. Chairman and gentlemen, in the general statement which you permitted me to make the other day I referred to certain special aspects of program activity which would require development later, and in that connection you have in front of you two leaflets. Now, the purpose I have in mind in going perhaps into a little greater detail on some aspects of program work is to give you a more definite idea of the action which follows from policy, that is, the result of the attempt of the executive and the staff to carry out the policy which has been outlined to you. First of all I wish to make observations about the Shakespeare series.

The CHAIRMAN: Pardon me, Mr. Murray. I am interrupting Mr. Gladstone Murray because I understand that some of the members have to leave the committee at this time, or shortly, due to prior engagements. I have a statement here about the demonstration respecting facsimile which is to be given to-night down in the railway committee room at 7.15 o'clock p.m. I will read it:—

I should like to make a brief reference to the facsimile demonstration which is to take place this evening at seven o'clock.

As Mr. Brockington mentioned, there are three principal facsimile systems which have been developed in the United States for broadcast use: The Young System (RCA), the Hogan and the Finch systems. As far as can be learned, they are all based on the same fundamental principles of operation, their patentable differences being related mostly to details.

In engaging the Finch system for the purpose of the demonstration, we have made clear to them, and wish to emphasize to the committee, that this does not imply any approval or endorsement, on the part of the CBC, of the Finch system as against any other. Obviously, we have had to make arrangements with one of the existing systems in order to have a demonstration take place at all. Differences in mechanical features, in the adaptability of equipment to Canadian needs, in operating costs, and the like, will obviously have a decisive bearing on the merits of the respective systems as and when undertaken in Canada.

The reason for that statement is that there are three different systems and the CBC does not want it to be spread about that any particular system is in their mind.

THE WITNESS: The chairman has reminded me that perhaps of the several subjects I propose to deal with you will be most interested in our plans with respect to the broadcasting of the royal tour. I will take that up now in place of the material relating to the Shakespeare series.

The broadcasting of the royal tour of Canada presents at once a unique responsibility and an unparalleled opportunity. Probably no other problem of quite the same dimensions has been faced before in broadcasting. We are all more or less familiar with the panorama type of broadcast in which there is rapid movement right across the country, across the British Commonwealth, or indeed, the whole world. Similarly, it is now common to broadcasting practice to give running commentaries on state ceremonies or functions such as the visit in 1937 of the President of the United States to the city of Quebec, and the function last year when the President of the United States and the Prime Minister of Canada participated in the opening of a bridge at the international border. But the visit of the King and Queen combines the characteristics of all these types of broadcasting and adds more to them. We are charged with the task of making the royal visit a living, moving pageant, first of all, in every home in Canada within range of a radio signal and with the equipment of reception. Secondly, we are charged with the responsibility of conveying to the United Kingdom and other parts of the Empire a continuous, realistic account of the progress of the tour, and particularly of the many-sided aspects of the Canadian scene as revealed by the tour. Thirdly, and by no means the least important, we are charged with the responsibility of giving to the great multitude of radio listeners in the United States a vividly interesting impression.

The tour will cover about 10,000 miles; it will last four weeks; it will take in five different time zones, and much of it will be broadcast in two languages.

Previous to this, the biggest actuality broadcasts were the Coronation, which lasted only one day, and the Berlin Olympics, which lasted one week.

The discharge of these responsibilities imposes a task which in its dimensions and complexity, has not in my knowledge, at all events, any parallel in the twenty years or so which now constitute the history of broadcasting. A great deal of special equipment is required. About 80 additional microphones will be employed. In Quebec there will be 41 local loops.

The broadcasting of the royal tour will begin with an account of the approach of H.M.S. *Repulse* to Canadian waters. By special arrangement with the Department of Defence and the Officer Commanding the Canadian Naval Forces, short wave broadcasting transmitting facilities are being installed in H.M.C.S. *Saguenay*, which is to be meet H.M.S. *Repulse* in the Gulf of St. Lawrence.

approximately two nights before the arrival in Quebec. From the *Saguenay*, the CBC commentator will bring to Canada and the British Empire and the United States a description of the approach of H.M.S. *Repulse*. From then until the end of the tour, there will be continuous broadcasting activity. On Thursday, June 15, it is planned to broadcast His Majesty's farewell address to Canada from H.M.S. *Repulse* at or near Halifax. The visit to Newfoundland also will be carried. An idea of the complexity of the arrangements can be gathered from a consideration of the problem of handling the ceremonies in the city of Quebec. The whole of the description, commentary, and narrative have to be given in two languages requiring a complete duplication of technical facilities and program personnel. On Monday, May 15, H.M.S. *Repulse* will dock at Wolfe's Cove; the royal party will proceed to the Plains of Abraham, the parliament buildings and the Chateau Frontenac. Commentary will be provided from 9.00 a.m. until Their Majesties arrive at the hotel shortly before lunch. An aeroplane will be used to assist in broadcasting the ceremony before the docking of the H.M.S. *Repulse*. H.M.C.S. *Saguenay* will be used simultaneously.

The chronological outline of procedure for Quebec city is briefly as follows:—

At 10.00 a.m., when the broadcast starts, you will hear from the CBC commentator on the accompanying H.M.C.S. *Saguenay*. Then, as the ship comes up the river to the docks, a commentator stationed on top of the highest cliff in Quebec will continue the narrative. Then other commentators will be at the landing stage, the Plains of Abraham, the Grand Allée, the parliament buildings, the provincial Senate chamber (where an address of welcome will be read by Premier Duplessis), and the gate of the Citadel, which will be the official residence. This broadcast will last until 12.30 and will be radiated throughout the world.

In the afternoon, from 1.45 to 2.30, we shall broadcast the luncheon given by the federal government, at which His Majesty will speak. There will be a commentary on the afternoon visit to Montmorency Falls.

For the purpose of this explanation, it is not necessary to give a detailed account of the plans throughout Canada. These, of course, are subject to adjustment and change as the arrangements for the tour are modified and developed. Suffice it to say now that at nearly all of the points of contact with the public there will be broadcast description or commentary. The mobile units and the duplicate equipment will have to play at leap frog with the utmost precision right across the country. Ingenuity and variety will play a large part in the daily summaries to the United Kingdom.

We have this problem to face in practice, that there will be a great deal of repetition in the character of addresses of welcome, and it will be up to the intelligence and imagination of our commentators not to make it wearisome.

From the broadcasting angle, the climax of the tour will be on Empire Day, May 24, in Winnipeg. On that day, His Majesty will broadcast to all the peoples of the British Commonwealth of Nations. The members of the committee will recall the annual Christmas day messages which His Late Majesty, King George V, broadcast from Sandringham, usually in panorama programs organized by the BBC in co-operation with the other broadcasters of the Empire. It had been expected that the present King would continue this practice on last Christmas day but, in view of his approaching visit to Canada, I understand that it was the special wish of His Majesty to defer this message until he could give it from Canada. So now it is planned for Winnipeg on May 24. That will be made the occasion of a world-wide panorama broadcast in which will be brought special messages of greeting from the United Kingdom and other dominions as well as from the colonies and dependencies. I am not going to describe in detail the plans for this broadcast, because to do so at this stage might detract somewhat from its artistic effect. I would like, however, to

make one or two general observations on the character of the broadcast. Its fundamental note will be simplicity. This is to be no occasion of flaunting of pomp or power. The Empire welcome program will not consist of greetings from the heads of states, or merchant princes, or political leaders, or celebrities in war or peace, or distinguished scientists, or newspaper proprietors, or the heads of universities. In this program, the stage is being set for the greetings of the average citizen, of the listener, if you like. The atmosphere will be that of the simplicity of a family, which is indeed the atmosphere that strengthens the bonds of this great experiment in human relations, the British Commonwealth of Nations. Listeners in various walks of life, miners, industrial workers, farmers and others from the United Kingdom, from New Zealand, Australia, Union of South Africa, India, Newfoundland, West Indies, and from other parts of the British Commonwealth, will join with representative Canadian listeners in a heartfelt welcome to Their Majesties in a spirit of affectionate homage, there being no ingredient of vain glory. And it need hardly be added that the inspiration of simplicity and the dominant note of spontaneous family greeting are a faithful reflection of the wishes of the King and Queen.

I had begun to discuss the Shakespeare series, which was the most ambitious artistic effort so far undertaken by the CBC. As a result of this undertaking we have received recognition from authorities outside of Canada. Eleven plays were produced and the most distinguished available Shakespeare actors were secured from Great Britain and the United States. The series cost about \$14,000, as an additional item of expense. Shakespeare makes the ideal radio dramatist, and in putting Shakespeare on we were hoping to do something which had not been done before, something toward restoring the majesty of our language. And I would like to comment here on the extraordinary popularity of that Shakespeare series, particularly in French-Canada, where the demand was such that we had to put it on all the stations of our French network; and I think that demand speaks for itself as an example of their preference for fine material.

To give you some indication of the difficulties we had to overcome in putting on this series, and as an example of the pressure which some of the principal actors had to endure, I might mention that as Walter Huston was appearing in New York on the Saturday night before the Sunday on which he was due to act in Toronto in "Othello," it was necessary to arrange with Mayor LaGuardia and the police commissioner of New York for a special escort from the theatre to the station in order to catch the train for Toronto. Incidentally, Mr. Huston, in coming to Toronto, was returning to his home town. Sir Cedric Hardwicke, the distinguished British actor, happened to be on tour. He had just finished an engagement in Montreal Saturday night and arrived in Toronto Sunday morning where he rehearsed all day and proceeded to act the part of Shylock in the evening.

Now, I would like to call your attention to an example of the kind of difficulties with which we are faced. When the announcement was made that we were putting on the "Merchant of Venice" program, a considerable number of the protests were received. It was suggested that it was in bad taste and particularly at such a time in world history, and that it had better be withdrawn. I do not know whether it was due to that criticism or not, but apparently one of the leading drama critics of Toronto—I believe it was Hector Charlesworth—commenting on the performance of Sir Cedric, felt impelled to make the observation that Sir Cedric's Shylock was the only gentleman on the Rialto. These great artists certainly deserve great credit, and also the gratitude of the Canadian people as well as of the CBC. Incidentally, I may say that they appeared for us at a fraction of what they normally charge.

[Mr. W. E. Gladstone Murray.]

Now, I have mentioned that our artistic efforts in this regard received some special comments. I think it is worth while recording a few of these comments, first of all from competent representative sources in Canada. Here is the comment of:—

The Ottawa Journal—Oct. 21/38.

It is a highly commendable thing that such splendid English so well spoken should be brought clearly to the ears of all Canadians—in the remote areas as well as in the more populated districts—by radio reception sets that are within the means of everybody.

The Ottawa Citizen—Oct. 14/38.

Shakespeare himself more than once conjured up the prospect of voices in the air and the miracles of what we now know as radio. It is yet an added proof of the immortality of his work that the plays should make such first rate material for broadcasting. The words are allowed to work their own magic when listeners tune their minds and their radio receivers to the hearing. The CBC and the distinguished players in the forthcoming weeks may be assured of the fullest appreciation of this new Shakespearean presentation over the air.

The Vancouver Province—Oct. 29/38.

Millions of people have seen some of Shakespeare's plays. Millions more have read them. Canadian radio patrons are having a new experience these days. They can sit by their firesides on Sunday evenings and hear the plays—listen to the magical lines repeated over the air by some of the best-known actors and actresses of the English-speaking stage.

Toronto Saturday Night—Oct. 15/38.

The Canadian Broadcasting Corporation is to be congratulated on the opening of its series of Shakespeare performances on Sunday last. . . . Shakespeare is in one respect better suited to the radio than any other writing in any language. The ineffable beauty of lines perfectly adapted for human speaking is not only preserved but is even magnified by concentration of the attention upon sound to the exclusion of all other senses.

Montreal Gazette—Sept. 23/38.

CBC will win the approval of every radio listener for its ambitious undertaking to broadcast a cycle of Shakespearean plays with a specially chosen company in support of internationally famous stars as guests. With one exception, namely the broadcasting of a part of the Toronto Promenade concerts, this will be the first time the corporation, or any Canadian radio institution, has attempted a program on such a scale.

The Dunnville (Ontario) Gazette, Nov. 4/38.

Here is radio at its best and too much cannot be said in praise of these excellent presentations. Criticisms have been levelled at the CBC in the past on various grounds, but if it continues to produce such literary works as the Shakespearean dramas it will eventually arouse in Canadians a real pride in Canadian broadcasts.

The Calgary Albertan, October 12/38.

Radio history was made by the Canadian Broadcasting Corporation Sunday when the series of Shakespearean plays was inaugurated with "The Merchant of Venice."

And now from the United States,—

Variety—American Weekly Organ of Radio, Screen and Stage, commenting on the Shakespeare Series.

These plays represent the successful culmination of a sagacious consistent and well-planned policy of the CBC to carry out the mandate with which it was entrusted for the development of Canadian talent coupled with the presentation of shows planned at a level higher than what is usual in radio.

And again from Canada,—

And now for some constructive criticism. Mr. Thomas Archer, the music and radio critic of the Montreal *Gazette*, in a review of broadcasting on the North American continent for the past year makes the following observations:

In regard to drama, each summer during the past two years there has been a Shakespeare series. A Hollywood experiment in Shakespeare was made in 1937. This broke the ice although the experiment was not altogether a happy one, due in part to unsuitable casting of film stars for the sake of their names and also to unsatisfactory preparation of scripts. Last summer the CBC handled the Shakespeare plays much better. Stage stars trained to speak the Shakespearean lines were engaged instead of film players. The scripts were prepared in a more artistic way. This series, however, suffered from too much rhetoric and rhetoric is fatal to good radio broadcasting.

If another Shakespeare series were to be undertaken this summer, the above fault will no doubt be corrected. Shakespeare is unusually suited for broadcasting because his plays appeal so strongly to the ear. But it should be remembered that radio is intimate and that the acting of a play on the radio is like giving a private performance in someone's house. A radio player must not pitch his voice as though he were trying to reach the back row of a public theatre. Otherwise even moderate rhetoric sounds like ranting. What we need is studio Shakespeare.

That is a considered and I think perhaps a merited criticism. We shall keep it in mind. Mr. Rupert Lucas handled this series with his accustomed skill, and had as his chief collaborator the NBC actor-producer, Mr. Charles Warburton.

We are already contemplating a new series of Shakespearean plays. It is, of course, a dangerous undertaking to try to repeat performances of that kind. But after considering public reaction and the artistic resources and so on, we have decided to try to put on another series which will include the plays Macbeth, Twelfth Night, Antony and Cleopatra, the Tempest, Much Ado About Nothing, Coriolanus, Winter's Tale, Richard III, and it has been suggested that we also try the Taming of the Shrew and Henry V.

Now, you have had circulated a brochure on broadcast talks, and "Music on the Air." Insufficient attention has been paid so far to French programs, and it is in that department of our work that perhaps particular progress has been made during the past year. So I would like you to permit me to make some observations on the French network programs.

Our French-speaking compatriots in the province of Quebec and adjoining areas are more fortunately situated in many ways for broadcasting than the rest of Canada. Here you have a relatively compact region.

For those Canadians whose mother tongue is French, we have set up a French network. On this network we are developing a planned and comprehensive schedule of programs. In this connection I want to pay special tribute to Dr. Augustine Frigon, Assistant General Manager, and his staff, who have had the active direction of this work. Dr. Frigon's assistant on this

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work was John Stadler, a young man of great ability, devotion and promise, whose death in a recent aeroplane accident is a serious blow to public service broadcasting in Canada.

Our "Le Reveil Rural" is a daily program of talks and information for farmers. This program has been on the air now continuously for eighteen months in its present form, and it is a program with which Mr. Georges Bouchard is actively and creditably associated.

Mr. HÉON: I want to put on record that Dr. Bouchard is to be congratulated for his part in the program "Le Reveil Rural."

The WITNESS: Another French program which has stolen a march on the rest of Canada is "S'il Vous Plait." This is a question and answer program modelled somewhat on the lines of the NBC feature "Information Please." There is a panel of experts who try to answer questions which are put to them for the first time during the broadcast. With its wealth of personality, French Canada has made a success out of this program. The national network has now in incubation a question and answer program on similar lines.

Then we have "L'Agora du Dimanche." There are thirteen members in the group and they discuss subjects of contemporary interest which particularly affect Quebec. The members of this group are prominent Canadian citizens. The president is Emery Beaulieu, who is also president of the Canadian Bar Association. Other members are Leon Gouin; Wilfrid Gagnon; Esdras Minville, dean of the School of Commerce, University of Montreal; B. Panet-Raymond, who is also President of the Association of Canadian Clubs; Antonio Perrault; J. M. Gauvreau; Mr. Justice Roy; Monsieur Charpentier, President of the Catholic Labour Union; Monsieur Blois, President of the Farmers' Co-Operative Movement; George Reid, whose work as secretary of the Agora is worthy of special commendation, and Colonel Wilfrid Bovey, McGill University. I may add that I had the privilege of being present at their discussion last Sunday night when Madame Pierre Casgrain took issue with Mr. Justice Roy on the question of the rights of women in the province of Quebec.

The CHAIRMAN: I may say that I was seated at the table when the discussion was going on.

Mr. HÉON: The discussion must have had some effect, because a bill is coming up in the legislature in Quebec this week dealing with the subject.

The WITNESS: I will leave it to the chairman as to who had the better of the argument.

French-speaking Canadians have a passionate love for their native province. They have a deep attachment to its country-side. One of the best-loved parts of Quebec is the Laurentian hill country north of Montreal. The CBC, through the art of Claude-Henri Grignon, presents a series of sketches about this country in the program called "Les Belles d'Histoire des Pays d'en-Haut." This is the human story of a Canadian family who have a farm in this district.

Then there is "Vie de Famille" featuring Henri Deyglun; this is also a program about family life.

One of the most popular programs on the French network is another dramatic sketch known as "La Pensions Velder." This series owes much to its creator and chief personality, Mr. Robert Choquette. In this instance the background for the sketch is transferred to Switzerland.

Then there is a special program for children taking the form of a weekly serial called "Tante Miche," and I may say that this is a program of distinctive literary merit.

Then, there is the Sunday evening Dominicale hour which is a devotional period developed also from the entertainment angle.

I have referred to Mr. Paul Morin as one of the engaging personalities in this series. His series "Les Fureurs d'un Puriste" indicates that French-Canada is not lacking in personalities who have the ability to speak engagingly before the microphone.

Then there is La Revue Des Livres by Maurice Hebert and Actualite Litteraires by Victor Barbeau in the field of literary criticism; also, I believe, distinguished. There is also Mr. Roland Beaudry with a weekly feature on sports; there is a weekly feature on science by Mr. C. M. Boissonault; and finally, but by no means least, there is Madame Pierre Casgrain, the director of the weekly program Femina, of topical interest for women.

Mr. HEON: Hear, hear.

The WITNESS: I have already referred to the half hour from Paris and the morning program. I should also like to mention the Lyric Trio, which is one of the national network programs—

Mr. BOUCHARD: Hear, hear.

The WITNESS: —On the national network the following programs are equally popular with both French and English special listeners—C'Est Paris, Rendez-vous avec Agostini (Appointment with Agostini) and Joyaux de la Scene Lyrique and also Les Concerts Symphonique de Montreal, very highly regarded throughout Canada. There were, of course, special broadcasts such as the Eucharistic Congress. During the September crisis of last year I should mention that all the special news was translated and broadcast in French. Of course, there were special broadcasts on the death of His Holiness the Pope; then there were special programs of recordings. I think that rounds it off.

The CHAIRMAN: I think if you are through, Mr. Murray, we had better adjourn. Some of our members have to get away.

Mr. HEON: There is one short statement I should like to make in connection with the King's visit. I wish to state that I approve very much of the proposed simple and dignified way in which the King of Canada's visit will be broadcast.

The CHAIRMAN: When shall we meet again? Shall we meet on Tuesday?

Mr. HEON: I think so.

The CHAIRMAN: In view of the fact that we are not going to have the Private Broadcasters Association, and I understand that the Advertisers Association are not going to appear before the committee I would think that we should make an effort to conclude our work as fast as possible. We have the main officials of the CBC here; this is the end of their fiscal year and they have got a great deal of work to do. I do not think this committee should unduly keep them here.

Mr. Ross: At the next meeting should we not, if possible, get some decision from the committee in regard to one of the main items before the committee, the question of the amount of the licence fee? We have had all the evidence, practically, in connection with it. We have had the governors of the Canadian Broadcasting Corporation, we have had the manager of the Canadian Broadcasting Corporation, and we have had officers of the department before us. I think we should be prepared next week to make whatever recommendation we are going to make to the Canadian Broadcasting Corporation, and which they have asked for from us. We should give an expression of our views with regard to the matter of a licence fee, as to whether it should be left where it is, reduced or increased.

Mr. CHAIRMAN: Have you made up your mind, Mr. Ross, from the evidence that has been produced here in regard to that situation? I mean, have you come to a conclusion yourself?

Mr. Ross: Yes, I have.

The CHAIRMAN: If you have come to a conclusion, would it not be well for you to put your conclusion in the form of a motion at our next meeting? Then we could probably dispose of that phase of the situation. Mr. Martin

[Mr. W. A. Rush.]

wanted to discuss the whole thing to-day, but I think he was unavoidably absent. I think if we are going to make any recommendation to parliament in our report in regard to licence fees, or as to the abolishing of licence fees and finding the revenue from some other source for the CBC, we should do it right now—or rather, at our next meeting.

Mr. HEON: Has the date of the 25th of March, which was set by the minister, been extended?

The CHAIRMAN: No, it cannot be extended. In the first place, the forms and the licence blanks have all gone out. Collection will start on the 1st of April. So, Mr. Ross, you might consider whether my suggestion has any value; and you might think it over between now and Tuesday.

Mr. ROSS: I shall be glad to make such a motion.

The CHAIRMAN: Put your conclusion in the form of a motion; then we can have a debate and probably conclude that phase of it.

Mr. HEON: Mr. Chairman, you read a letter at the beginning of the sitting of the committee to the effect that the Association of Broadcasters were not going to be here.

The CHAIRMAN: Yes.

Mr. HEON: What about the Association des Postes Privés De La Province De Quebec? Have they given notice that they are discontinuing their demand to be heard?

The CHAIRMAN: I understand from this letter that they represent all the private broadcasters.

Mr. HÉON: I see on page 221 of the report that the Association Des Postes Privés de La Province De Quebec was represented as a separate and distinct association from the others. I read the following:—

Hon. Mr. LAWSON: Whom does he represent?

The CHAIRMAN: The association of private broadcasters of Quebec.

Hon. Mr. LAWSON: Would they be separate and distinct from each other?

The CHAIRMAN: It looks that way to me.

The CHAIRMAN: Is that telegram signed by Mr. Lefebvre?

Mr. HÉON: Yes.

The CHAIRMAN: I think it would be just as well for the clerk of the committee to write to Mr. Lefebvre and ask him if he still wishes to be heard by the committee.

Mr. HÉON: If he is going to be here or if he wishes to be heard.

The CHAIRMAN: Have you got his address?

Mr. HÉON: He is director of CHLP.

The CHAIRMAN: The clerk will write to Mr. Lefebvre and find out if he wishes to come. My understanding is that none of them are coming, as their meeting with the CBC board of governors was very amicable and very satisfactory to all concerned.

Mr. BOUCHARD: Everything is amicable with the CBC.

Mr. HÉON: Hear, hear.

The CHAIRMAN: If it is your pleasure, we will adjourn until Tuesday.

Mr. HÉON: As a matter of fact, the clever way in which they got around the proposed radio beer ban is a matter of congratulation, as far as we are concerned.

The CHAIRMAN: We do not interfere too much with them. What do you wish to bring up at the next meeting, Mr. Murray?

Mr. MURRAY: I have not quite completed the program presentation. It will take me about twenty minutes to complete it, and that will be all.

Mr. HÉON: Who will be heard after Mr. Murray?

The CHAIRMAN: It is up to the committee.

The committee adjourned at 12.55 p.m., to meet again on Tuesday, March 28, at 11 a.m.

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SESSION 1939
HOUSE OF COMMONS



(SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

TUESDAY, MARCH 28, 1939

WITNESS:

Mr. W. E. Gladstone Murray, General Manager, Canadian Broadcasting Corporation.

OTTAWA
J. O. PATENAUME, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

REPORT TO THE HOUSE

TUESDAY, March 28, 1939.

The Special Committee on Radio Broadcasting appointed to consider the annual report of the Canadian Broadcasting Corporation and to review the policies of the Corporation begs leave to present the following as a

THIRD REPORT

Your Committee, having heard the evidence of the Chairman and the General Manager of the Canadian Broadcasting Corporation as to the curtailment in service that must result from a reduction in revenues of the Corporation, takes the view that the present scale of radio licence fees shall be continued for the fiscal year 1939-40.

Respectfully submitted.

A. L. BEAUBIEN,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, March 28, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Héon, Hurtubise, Isnor, Johnston (*Bow River*), Lawson, MacKenzie (*Neepawa*), MacMillan, Martin, Patterson, Ross (*Moose Jaw*), Stevens, Thompson, Turgeon, Woodsworth—18.

In attendance:

Mr. Alan B. Plaunt, Board of Governor, Canadian Broadcasting Corporation;
Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;
Mr. W. O. Findlay, Assistant to Chief Executive, Canadian Broadcasting Corporation;
Mr. R. C. Keddy, Secretary to the General Manager, Canadian Broadcasting Corporation.

The Chairman read to the Committee a letter from Mr. Lefebvre of the Association des Poste Privés de la Province de Québec, desiring to withdraw its application to appear before the Committee.

The Committee agreed to the withdrawal.

Mr. Isnor requested that a correction be made on page 240 of the Minutes of Evidence. Correction ordered to be made.

Mr. J. G. Ross (*Moose Jaw*), moved,—

That your Committee, having heard the evidence of the Chairman and the General Manager of the Canadian Broadcasting Corporation as to the curtailment in service that must result from a reduction in revenues of the Corporation, takes the view that the present scale of radio licence fees shall be continued for the fiscal year 1939-40.

Mr. Martin moved in amendment thereto,—

That this Committee is not of the opinion that the present scale of radio fees should be maintained, but in the interests of strengthening the state control and ownership of radio in this country, the radio fee should be abolished entirely and that the cost for the maintenance of the Canadian Broadcasting Corporation be taken out of the consolidated revenue fund.

Mr. Ross raised a point of Order, viz.,—

That the amendment being a direct negative, it was out of order. The Chairman ruled the proposed amendment out of order.

The motion of Mr. Ross was then put. Motion carried on division, 9-3.

Mr. Martin requested to be recorded as voting against the motion.

On motion of Mr. Ross,—

Resolved, That the motion as passed by the Committee be presented to the House as an Interim Report of the Committee.

Mr. Gladstone Murray recalled.

The witness continued his presentation to the Committee in regard to the work of the Canadian Broadcasting Corporation and also answered questions put by members of the Committee.

The Committee adjourned to meet again on Thursday, March 30th, 1939, at 11 o'clock, a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, Room 429,

March 28, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. Arthur Beaubien, presided.

The CHAIRMAN: Well, gentlemen, will you kindly come to order. I have a letter here that I received from L'Association des Postes Privés de la Province de Québec. As it is quite a short letter I shall read it to you:—

"Montreal, March 24, 1939.

DEAR SIR,—Further to our request to appear before your committee, and your answer that you would be prepared to listen to our representations, at a future date, we thank you for the opportunity provided and wish to advise that we have met the Board of Governors of the CBC.

Having obtained partial satisfaction to our demands, we feel that it will not be necessary for us to appear before your committee for the time being.

Thanking you for your kind consideration, we beg to remain,
Yours very truly,

ASSOCIATION DES POSTES PRIVÉS
DE LA PROVINCE DE QUÉBEC.

M. LEFEBVRE,
Secretary-Treasurer."

Mr. ISNOR: Before you proceed with the other business, Mr. Chairman, may I enter a correction with regard to the minutes of the last meeting. At page 240 there are certain words appearing in my remarks, one of them no doubt due to the similarity of characters in shorthand outlines—appointing and earning—the word "appointing" should have read "earning", which would make the sentence read as I intended. I had in mind that if that course were followed it would result in the loss of certain revenue or earning power but the word "appointing" is used there. I would ask that a correction be made. Later on it refers to "men". I used the term "returned men"; "greater earning power for returned men".

The CHAIRMAN: Those corrections will be made accordingly.

Mr. Ross: At the last meeting of the committee I suggested that on account of the radio licence fee collection starting shortly, and particularly in view of the fact that the committee was asked to give some idea of their views in regard to the licence fee, that I would bring in a motion this morning in regard to it. I therefore wish to move the following motion:—

That this committee having heard the evidence of the chairman and the general manager of the Canadian Broadcasting Corporation as to the curtailment in services that must result from a reduction in the revenues of the corporation takes the view that the present scale of radio licensee fees shall be continued for the fiscal year 1939-1940.

The CHAIRMAN: Gentlemen, you have heard the motion. It is seconded by Mr. MacKenzie. Is there any discussion?

I understand, Mr. Ross, that Mr. Martin will be here any minute. Evidently he must have received some intimation of the motion that you were going to move as you stated at our last meeting.

Mr. Ross: It was brought out at our last meeting, near the end of that meeting, that I would make this motion. I said that I would be glad to move such a motion at this meeting.

The CHAIRMAN: He just sent me word that he will be here right away.

Hon. Mr. STEVENS: We know that Mr. Martin is very much opposed to the motion. We ought to give him a chance to be heard with respect to it.

The CHAIRMAN: Of course, Mr. Martin's proposition to the committee was not really a reduction in the licence fee or a curtailment of the services of the CBC, but rather to find some other means of getting the revenue without in any way curtailing its activities.

Mr. TURGEON: If he is coming I think we should wait.

The CHAIRMAN: We will hold that over. Mr. Gladstone Murray is here and he wishes to go over a few more of the activities of the CBC.

Hon. Mr. STEVENS: Mr. Lawson has just come in. You might tell Mr. Lawson what Mr. Ross' motion is.

The CHAIRMAN: Yes. You were not here, Mr. Lawson, when this motion was read. May I read it to you?

Hon. Mr. LAWSON: Yes. Thanks.

(Motion read.)

The CHAIRMAN: Have you any discussion that you wish to proceed with?

Mr. TURGEON: We were holding it over until Mr. Martin arrives.

The CHAIRMAN: Do you wish to discuss it in the meantime?

Hon. Mr. LAWSON: I have no desire to discuss it.

Hon. Mr. STEVENS: In order that the record of our proceedings may be in order, I suppose we should dispose of this motion, or that a motion should be made to have it placed on the table. That motion is now before us.

Mr. Ross: Speaking to the motion, it is suggested that the hon. member (Mr. Martin) is not present. There are other hon. members who are not present in the committee. I do not know that we should hold up a motion of this kind. After all, it does not conflict with Mr. Martin's view altogether.

The CHAIRMAN: Here he is now.

Mr. Martin, for your special benefit I shall read a motion that was moved by Mr. Ross and seconded by Mr. MacKenzie.

(Motion read.)

We were just waiting for you, Mr. Martin.

Mr. MARTIN: I would have been here earlier but I have just been looking over some of the material which I wished to use not only to defeat the motion now before the committee but to support the one I have in mind myself. I do not know whether or not I am allowed to make a statement in connection with a motion I am going to move now.

Hon. Mr. STEVENS: No, no.

Mr. MARTIN: I have not now nor have I ever had any idea of curtailing the activities of the CBC, because there is no stronger supporter of the CBC as an institution and all that it stands for than myself. I move an amendment to the motion by Mr. Ross, that this committee is not of the opinion that the present scale of radio fees should be maintained, but in the interests of strengthening the state-control and ownership of radio in this country the radio fee should be abolished entirely, and that the cost for the maintenance of the CBC be taken out of the consolidated revenue fund.

Mr. ISNOR: That is a negative.

Mr. Ross: I do not believe that is an amendment, that just negatives the motion.

The CHAIRMAN: Do you raise the point of order, Mr. Ross?

Mr. Ross: Yes.

The CHAIRMAN: I do not like to rule against you, Mr. Martin, but I honestly think that your amendment negatives the motion completely. I do not like to do that, but I am compelled to do it.

Mr. WOODSWORTH: Bring it up as a separate motion.

Mr. MARTIN: I can't do that very well. If the main motion carries mine is out.

The CHAIRMAN: You can easily move a motion.

Mr. TURGEON: The motion relates to the fees; yours is entirely separate.

The CHAIRMAN: I do not wish in any way to curtail discussion of your plan that the revenue should be derived from other sources. You know the rules probably better than I do.

Hon. Mr. LAWSON: I think any member is entitled to discuss the matter now before the chair.

The CHAIRMAN: I do not think he is entitled to nullify the motion by an amendment.

Hon. Mr. LAWSON: I am afraid as a lawyer I shall have to agree with the chair.

Mr. MARTIN: All I can say is this, that if your ruling means anything, and I of course bow to it, the resolution as drawn by Mr. Ross and now before the committee is absolutely opposite to the amendment; consequently, if my amendment is ruled out of order and if Mr. Ross' motion carries that obviously ends the whole matter.

Hon. Mr. STEVENS: Not necessarily, Mr. Martin. Might I point out to you that you might introduce it separately, and that is what I would advise you to do.

Mr. MARTIN: In this instance I thank you for your advice.

Hon. Mr. STEVENS: Or else do it on the point of order. I think your motion is a negative of the motion before the chair, but it is of a nature that could be included in the report as a recommendation for future policy.

The CHAIRMAN: Yes.

Hon. Mr. STEVENS: So it need not be ruled out; and my suggestion is that subsequently I would take the stand that Mr. Martin have an opportunity of re-introducing his motion properly worded as a recommendation of the committee; and because of that possibility I would oppose any suggestion that it be ruled out of order if this motion carries.

The CHAIRMAN: It appears, Mr. Stevens, that we are limited pretty much in our action. It appears that the legal minds agree with my position.

Hon. Mr. STEVENS: That is to their credit.

The CHAIRMAN: That is a good position for us to be in.

Hon. Mr. LAWSON: I am glad that we do something creditable once in a while.

Mr. MARTIN: You are ruling that my method is out of order?

The CHAIRMAN: I am compelled to, on the ground that it is a negative of the main motion.

Hon. Mr. LAWSON: With respect to the main motion, I have no particular objection except one, and that is I do not like dealing with these matters piece-

meal. Here is a committee that is holding an inquiry. This committee has ultimately to include and publish in a report whatever recommendations we see fit to make and to be contained in that report; and they should all be discussed by members of the committee at the time when we are making up that report to submit to the House of Commons. I will quite admit that there was an exceptional situation. As I understand it, if this committee is going to make any recommendation with respect to a reduction of the licence fee to be effective before the commencement of the new fiscal year, April 1, 1939, that recommendation had to be made before March 31. That being so I raised no objection to Mr. Martin pressing on his substantive motion which I think he had made on a previous occasion, or to any motion now on the part of Mr. Ross or any member of this committee. It is quite obvious that the licence fee cannot be changed, except that parliament can do anything it wants to; but in the ordinary course of events the licence fee will not be changed for the year commencing April 1, 1939, unless in its wisdom at the conclusion of these proceedings the committee should see fit to make such a recommendation and such a recommendation should be approved by parliament and put into effect by substantive legislation. Therefore, I do not see any necessity for a motion of this kind. So far as I am personally concerned I would not like to deal with it until the committee is finally making up its report; and I might as well be frank and say that at no time, unless I change my present state of mind, am I going to favour the taking of the radio licence fee off the owners of radio sets in order to pass the buck on to the whole public of the Dominion of Canada.

Some Hon. MEMBERS: Hear, hear.

Hon. Mr. LAWSON: Before I do that someone has got to give me a concrete business-like scheme of financing the operations of the CBC on some other basis than radio licence fees. Therefore, if I am forced to vote on Mr. Ross' motion I am going to vote against it, not because—I want to make it clear—not because I want to take off the radio licence fee in order to make the taxpayer pay it, but just because I want to deal with the matter when the committee is making its report.

The CHAIRMAN: Is there any further discussion?

Mr. WOODSWORTH: I do not know that much further can be said. I do not think that a motion which has been definitely placed before the committee should be withdrawn at a time such as this. This seems to be a reasonable way of settling the matter, a matter about which there has been a great deal of controversy.

We have had the matter of the licence fee presented and the question was raised as to whether this would be continued. Mr. Martin brought forward his proposal to abolish it altogether; and it did seem to me that when Mr. Ross introduced this in an affirmative sort of way it was to settle this matter by affording the committee an opportunity to express its views on this, the present being preferable to a later stage at which to make such a decision, and so that we might go on without any uncertainty as to our stand on this point. That seemed to be a business sort of way of doing it. As far as the motion is concerned, I am going to vote in favour of it. Mr. Martin quoted me the other day as rather supporting him. I do not support his present proposition, but when the matter came up a year ago in the house I expressed regret that we should increase the fee and suggested that we would not be very far out in dealing with other matters if a certain amount were granted from the regular revenues of the government, a sort of subsidy. I think that is as far as I went in that case with regard to the extra fifty cents. As I have seen how difficult it is to get a subsidy of this kind it would seem to me that it is not very practicable to get a subsidy even to the tune of fifty cents; and certainly it would be absolutely a grant. It seems to me quite unfair to ask, as Mr. Lawson has

said—that out of the general revenue there would come any such large amount as would be involved in covering the whole of the cost of radio. Now, as to whether or not this extra fifty cents is justifiable, I do not think anyone could very well have listened to the general manager and to the chairman of the board of governors of the corporation without being convinced that the corporation are carrying on an excellent work, one that is highly desirable in the interests of our Canadian population. So I would withdraw any objection that I might take in these circumstances and vote for the additional fifty cents which was before us last year, and which it appears will have to be continued unless there is to be a curtailment that none of us would desire. I shall support the motion.

The CHAIRMAN: Of course, Mr. Lawson, in regard to the statement you have made that you would like to have this phase of it contained in our report—

Hon. Mr. LAWSON: If we are going to deal with it at all.

The CHAIRMAN: A good many interim reports have been made to the House of Commons from committees.

Hon. Mr. LAWSON: Oh, yes.

The CHAIRMAN: I think we may assume that this is really a matter of importance; at least, it conforms to the request of the minister while he was here, that this committee should indicate their position after hearing the evidence, and that they would do that before the end of the fiscal year. In view of that, I think it is only reasonable that we should express our views to the House of Commons.

Some Hon. MEMBERS: Hear, hear.

Hon. Mr. LAWSON: I can only say, Mr. Chairman, that I quite realize that there are occasions where the exigencies of the moment cause committees to make interim reports. This, in my opinion, is not one of them. Then, again—if I may be permitted—another thought occurred to me: Mr. Ross' motion is pretty all-inclusive. I have already intimated to the committee that when it is considering its report I propose to ask the committee to recommend that small crystal sets, for example, be exempted from the radio licence fee altogether. That seemed to be pretty generally acceptable to the committee when I proposed it. Were we to vote for Mr. Ross' motion now saying that the whole schedule of fees be continued for another year we preclude ourselves from exempting crystal sets, for example, at a later date. I don't like dealing with things piece-meal.

The CHAIRMAN: Gentlemen, I am in the hands of the committee. A motion is before the committee and I think it should be disposed of. What is your pleasure?

Mr. THOMPSON: Mr. Chairman, before this committee passes a resolution endorsing the annual fee of \$2.50 I think we should have a more definite statement and more definite information as to the expenditures made. I would like to see laid upon the table a list of the personnel of the CBC and the salaries and allowances made to them. I have no objection to the \$2.50 being collected, but I would like to have a more definite statement as to the expenditures.

Mr. MacKENZIE: Would it not be of some value? The CBC is attempting to plan or map out its procedure for the coming year, their programs. I think they should know definitely what sums they are going to get. I imagine it would be worth something to them to know that. I seconded this motion on the understanding that it was going to be put at our last meeting. Mr. Ross said to me he was going to bring it up. The understanding then was that it was to be considered and a decision made, particularly in view of the fact that the end of the fiscal year is very close.

On the motion being put it was carried on a vote of 9 in favour and 3 opposed.

Mr. Ross: I move that this motion be made the subject of an interim report to the House of Commons.

Mr. MARTIN: I did not ask for a recorded vote but I would like to have it recorded that I opposed the motion.

The CHAIRMAN: Do you wish a recorded vote?

Mr. MARTIN: No.

The CHAIRMAN: It is moved by Mr. Ross that this motion be presented to the House of Commons in the form of an interim report.

Motion agreed to.

Hon. Mr. LAWSON: I am opposed to this interim report business.

The CHAIRMAN: You must be Irish.

Hon. Mr. LAWSON: No, no, Scotch.

The CHAIRMAN: Mr. Gladstone Murray is here. Is it your pleasure that we shall hear Mr. Gladstone Murray?

W. GLADSTONE MURRAY, General Manager, Canadian Broadcasting Corporation, recalled:

The WITNESS: Mr. Chairman and gentlemen: I have just a few observations to round off the submission on programs. The observations which have already been made forecast discussion of special aspects of program work, particularly with regard to the steps taken to consult public opinion.

First of all I would like to make a correction in the evidence which I gave before this committee on Friday, March 17th, at page 183, line 9. I referred to Dr. Clarke as one of those participating in The World To-Day programs. In this I was in error. Naturally I regret it, and I would like to take this opportunity of correcting the misstatement. The gentleman I should have referred to was President Walker, of King's College, Halifax.

The first point in clearing up the general presentation of program activity has to do with the rural problem. In the preliminary survey I mentioned there is evidence that most of the broadcasters of North America have been neglecting their rural audiences, and in respect to the United States this amounts to about 32 per cent of the population and rather more than 60 per cent of the Canadian population. In order to correct this balance, we propose to strengthen our early evening programs, particularly those meant for children and young people, and to initiate new services at appropriate times during the day. There is to be a special "Farm and Home" program developed regionally; also an increasing proportion of talks are to be concerned with problems of special interest to the rural population.

As an example of the way in which we try to determine the special needs of the rural population, I would like to read a few typical extracts from a survey which was conducted in a part of the county of Carleton. One hundred and four people were interviewed and they were selected in such a way as to represent a cross-section of the public in the rural part of the county.

The preference in programs was scattered. True, old time music was far in the lead in popularity, with thirty-seven persons preferring it to anything else, and with seven other persons giving first choice to programs to which old time music plays the leading role. But there were as many as twenty-eight favourites among the one hundred and four persons interviewed.

Most of the sponsors of these favourites were rugged individualists. Twelve persons preferred the broadcast of the news of the day to any other program. Eleven persons liked the devotional periods best. Nine persons thought Charlie McCarthy the best program on the air. And a few other programs had two or

[Mr. W. E. Gladstone Murray.]

three persons to laud them above all others. The balance chosen as favourites, however, were the choice of a single person. No one could say that there had been undue regimentation in the matter of radio programs.

The surprising feature of the popularity of old time music was that it was by no means confined to those of mature years. On the contrary, this type of program seemed to be as popular with the young as with the old.

In addition to the eleven persons who gave the devotional periods or Sunday services as their first choice, there were several others who mentioned this type of programs as little less enjoyable than what they put in first place.

By Mr. Patterson:

Q. You mentioned Carleton county; is that Carleton county in Ontario, or Carleton county in New Brunswick?—A. That is Carleton county in Ontario.

The WITNESS: The attempt to discover the preferences for different types of programs was only partially successful. It is probable that many of the answers did not convey the real preference of the person interviewed. It is certain that there was a good deal of confusion in the groupings.

The best demonstration of this is the fact that thirty-seven persons gave old time music as their preference in the programs, and only thirty gave dance music as their preference among the types of programs. It is suspected, moreover, that some of the fifteen who gave orchestral music as their favourite among the types of program had in mind the product of dance orchestras. Twenty-three persons stated that the broadcasts of current events made the greatest appeal as a type of program, whereas only twelve had given these as their favourite program in answer to a previous question. It is certain that a good many of the twenty who gave "variety" as their favourite type of program interpreted that term to mean a varied program.

Now, here are a few of the comments that the interviewer received in going around:—

A speech-taster thought that all the world's leading public men should broadcast their speeches, and that all the speeches in the Canadian House of Commons should be broadcast.

By Hon. Mr. Lawson:

Q. Who suggested that?—A. He calls himself "a speech-taster."

Hon. Mr. LAWSON: He must be a bear for punishment, that is all I can say.

The WITNESS: They continue:—

An original thinker thought there should be lively music early in the morning to get people out of bed full of pep and enthusiasm.

One practically-minded person thought that because people could not dance in the morning, dance music in that part of the day was useless.

The most intelligent man interviewed thought the program "Man in the Street" was excellent. The most intelligent woman interviewed thought it was terrible.

Weather reports cannot come from the moon, therefore, there is no point in mentioning that they come from the Dominion Meteorological station.

There are too many women on the air. (From a woman.)

The CHAIRMAN: They are always up in the air.

The WITNESS: So much for Carleton county.

Mr. ISNOR: Did you say "in the air," or "on the air"?

The WITNESS: On the air.

Now I might just take a few extracts from reports received from prairie points. Perhaps the attitude of the western farmer can be summed up by the statement by one of them from Manitoba who was interviewed by one of our

representatives. He had endured the hardship of drought and crop failure and was dressed in tattered overalls. In speaking of the Metropolitan opera broadcasts, he said, "we farmers are not so illiterate as our circumstances would seem to indicate, the opera is our family favourite."

Some Hon. MEMBERS: Hear, hear.

The WITNESS: Here are some constructive suggestions from rural areas in Saskatchewan:—

How about some European national music—more Swiss yodelling.
That is from Canora, Saskatchewan.

Here is another one:—

Make us laugh; make us sing; educate us if you must but don't let us know you are doing it.

Talks too serious and even long-winded.

He believes that we should shorten them.

Hon. Mr. STEVENS: Better put him in correspondence with the other fellow from Carleton.

The WITNESS: Yes. He goes on:—

Produce newsy bits and childrens' patter, with youngsters taking part in school room stuff—with lessons of semi-educational material yet interspersed with "bad-boy" pranks to relieve obvious educational intention.

Then from Elkhorn, Manitoba:—

We cannot compete with the United States in philharmonic orchestras, but we should be able to give them a run for their money in speaking the English language.

And then from Lacombe, Alberta:—

Give us talks by persons whose voice has that "from-me-to-you" feeling.

Now, from another survey made in British Columbia; this is from Mission:—

From our country viewpoint radio is our educator; daily news reporter; our church; our theatre; our giver of all kinds of enjoyment; and we can pay an additional charge even at some sacrifice.

From another observer:—

For my family of five children growing up in the Peace river country, our desire is for news, varied entertainment of a Canadian nature and radio material suitable for and attractive to children. We depend largely upon radio for many months of the year for education and entertainment.

This listener resides thirteen miles from the nearest post office.

By Mr. Turgeon:

Q. That is in Alberta?—A. That is in the Peace river country.

And then, from Cloverdale, British Columbia:—

A letter in the paper said we never listen to the fifteen minute gabfests on the CBC. Well, I listened to a talk on "Yachting"—a subject I've never been interested in—but it was GOOD. Now I listen to nothing else but talks.

Now, before passing from this phase of my presentation may I say that we have succeeded apparently in attracting for the first time some serious attention and comment in the press of other countries, including that of Great Britain,

[Mr. W. E. Gladstone Murray.]

the United States and France. The London newspapers have been giving an increasing degree of attention to Canadian programs, an attention which naturally would be greatly emphasized and more comprehensive if we had our short-wave transmitter. I would like to give you some concrete examples indicative of the growing attention to Canadian programs in the United States. A few years ago Canadian radio—I think this is a true observation—was naturally moving towards becoming an extension of United States chains. Now Canadian radio is not only attaining a national stature but is being recognized as a cultural addition to the radio family of the world.

Now, take some examples of the growing range of comment in the United States:—

The Buffalo *Evening News* has a special column devoted to CBC programs.

The Rochester *Evening News* has a complete CBC column and highlights the Toronto symphony programs

The Buffalo *Courier Express* has a special column devoted to programs from the CBC.

The Detroit *News* highlights the Toronto symphony, and the same is true of the Detroit *Evening Times* and the *Toledo Blade*.

Now for a few expressions from correspondents from the United States; these are from various parts:—

From Rye, New York: "May I take this opportunity to express the heartiest congratulations from your many listeners in this locality, for a novel and most interesting program given each Wednesday evening over your network. I refer to that period of entertainment 'Under the Big Top.' In these days when the air waves are fairly reeking with war news, persecution and scandal, it is certainly a great pleasure to be able to tune in on your broadcast from station CBR."

And then from Tidewater, Virginia: "We want to tell you how much we have enjoyed the 'Promenade Concerts' all summer away down here in Tidewater, Virginia. We like to listen in on Canadian programs because we find a selectivity that shows comprehensiveness. We always invite many young children and older ones to come and listen."

Then from San Diego, California: "We have enjoyed your 'Promenade Concerts' so much. . . . We should like to hear the series of symphony concerts you are planning for your Caadian listeners."

From Wellsville, New York: "We are enjoying your symphony orchestra broadcasts very much. I believe they are a real contribution in the devolopment of an appreciation for fine music."

From Lawrence, Kansas: "Such hours make it possible for harassed human beings to endure with better grace the strains of economic uncertainty at home and the constant threat and actuality of wars abroad. May we have many more of them."

So much for the United States. Now, here are some extracts from reports we have had concerning our broadcasts in the series of world concerts organized by the International Union of Broadcasters at Geneva last October.

From South Africa: Appreciated the introduction of folklore music and all that was typically Canadian.

From Germany: Good and interesting, although a little specialized. The manner in which the music was presented gave a very good idea of the life of the inhabitants of Canada.

United States: Gives a good idea of the different regions of the country. Very interesting material especially the yodelling of the cowboys and the fall of the tree in the final scene.

From France: The folklore character and the French-Canadian origin of the various works interpreted greatly interested our listeners.

Great Britain: Ingenious and appropriate.

Hungary: Particularly original.

Netherlands East Indies: Very good. The best reception was that of the "Farmers' Fiddlers."

Holland: It made possible the hearing of interesting music unknown in Europe.

Denmark: The press was unanimous that the concert was the best of the world concerts thus far broadcast.

And from Czechoslovakia: Particularly interesting.

The comment received from Czechoslovakia was particularly interesting:—

With regard to the world broadcast, the International Union asked this question, did you receive the preliminary publicity in time? Czechoslovakia's answer is laconic but dramatic, it is "No, because of the events of last September."

Now, the consultation of public opinion was the matter to which I have referred; and the keen sense of audience that we must always have in this broadcasting business if it is going to be successful. Sense of audience, particularly in public service broadcasting requires that we must always be taking every reasonable measure to get in touch with our audience, to assess its various characteristics and its moods. The consultation of public opinion is, in these days, becoming a highly scientific process, particularly in the United States and Great Britain. There are experts who undertake commissions to interpret public opinion on almost any given subject. While, of course, we have not had the resources or the time to cultivate such highly specialized forms of consultation, we have managed to do something, and at reasonably short intervals, to determine the acceptability of various programs in different parts of the country. And we have had recently the great assistance of Mr. Robert Silvey, who is in charge of the British Broadcasting Corporation's listener research scheme. He has been here advising us and giving us the benefit of his own experience.

Now, the method of approach is, of course, important. One cannot go to the public, or any section of it, and ask them what they want. No guidance is forthcoming in this way. In order to attempt to gauge the public requirements, it is necessary to frame a policy boldly and clearly in outline, to act upon it, and then be ready to revise it in the light of subsequent consultations of cross-sections of public opinion. Naturally, it is presumed that the basic policy framed is one of common-sense. It must not yield to the crank or the specialist, but, chiefly, it must not yield to the temptation to regard the public as a collection of morons unwilling or unable to absorb anything except the lightest form of entertainment. The policies of the CBC have been so fully expounded by Mr. Brockington that it is unnecessary here to reiterate. Perhaps, however, you will permit me to read some extracts of reports of the attempts that have been made to consult public opinion, here and there, with a view to confirming or revising program policy and standards. While on this general subject of program criticism in terms of listener acceptability, I might perhaps advert to the importance of interpreting criticism. One of the chief problems of broadcasters everywhere is the difficulty of listening continuously and critically to their own work. The CBC has established a system of internal listening panels. Producers and program executives are allotted specific days on which to report. These criticisms are collated, discussed, and where necessary, acted upon at weekly program meetings. Naturally, no producer is asked to criticize his or her own work. We also have a system of specially commissioned part-time listeners. Here are a few examples of the kind of comment we get from members of our internal listening panels. In order not to cause undue heartache, I am purposely omitting the names of the programs subject to adverse criticism. Here then is the first list taken more or less at random.

[Mr. W. E. Gladstone Murray.]

By Hon. Mr. Lawson:

Q. These are the programs subjected to the most adverse criticism?—A. I am not mentioning the names of the programs that are subjected to the most adverse criticisms.

Q. You are not mentioning those?—A. No, because it is a matter which we have to deal with within our organization.

The first criticism is of the New York Philharmonic orchestra: "I think that our music commentators should be put in a listening room and made to study Deems Taylor." Now, I have just one observation to make on that criticism. I certainly agree with the tribute to Deems Taylor, but I think that the critic probably had not heard the new feature on the national network from 1:00 to 1:30 on Sundays. This is called "Musically Speaking" and is by Harry Adaskin of Toronto. As a popular interpreter of music and as a microphone personality, he has in a few short weeks established a really unique position in the regard of the listening public.

The next program criticised is the York Bible Class, Toronto. That is a Sunday afternoon offering and the comment directed to it is this: "If the people of Toronto aren't all Christians, it won't be the fault of Mr. Denton Massey."

River Thames: "I recommend that all our producers listen to it. Certainly a new treatment has been developed for this type of presentation." This is one of the series being produced in England under the auspices of the BBC by Mr. Rooney Pelletier, the CBC French Canadian producer who is on exchange in England.

By Mr. Martin:

Q. Did you say, Mr. Murray, that the York Bible Class is a CBC production?—A. No, it is a program that is presented, and our critics have to deal with all programs.

By Hon. Mr. Lawson:

Q. They carry it as a sustaining program, a church service?—A. No, it is a sponsored program.

Q. It is paid for?—A. Yes.

By Mr. Martin:

Q. It is not sent out by the CBC as its production? It is not their idea?—A. No. This criticism has to apply to all types of program, because it is given presumably in the interest of listeners in general. Listeners would not be expected to support programs which were below a certain standard.

By Hon. Mr. Lawson:

Q. Might I ask, with respect to the church services broadcast over your stations on Sunday morning, are they sponsored?—A. They are sponsored if local; network services are not sponsored.

Q. You do carry some religious services?—A. On our national network we carry no sponsored services, but we carry the early morning devotional periods which are not sponsored, and we carry as much religion as we can afford to.

Q. On a balanced program?—A. Yes.

The WITNESS: "Melodic Strings—to my mind one of the best shows of this type anywhere."

"National Forum—More production seems to be necessary."

"By the Sea—One of our few fast-moving shows. Very pleasing in its general set-up."

"C'Est Paris—Faulty but gay. A rare quality in CBC programs."

And then a popular program—"Islands of very acceptable Brazilian music almost submerged in a sea of advertising."

"Another program—Opening selection out of keeping with rest of program and strings bad. Singer pleasing; choir shaky."

"Frankly Speaking—with Watson Thomson. Real man, real meat."

"Another Program—Continuity well prepared and well read. The program sagged badly after the first two or three numbers and the violins were not in tune."

"Romance of Medicine—By Dr. Heagerty. Good voice, interesting material, well presented in an informal manner. An excellent fifteen minutes."

"Another program—I enjoyed this, but not the announcer. Whether he was too close to the microphone or not, I could not be sure, but you could hear his lips smacking with unction."

"Another program—Those participating tried hard to lift the material from the paper by improper emphasis on wrong words. The participants had not sufficient instruction in microphone technique."

"Papal Memorial program—The organ from the Basilica in Quebec is certainly the best I ever heard on the radio. I think there should be more regular concerts from the Basilica."

And so on. I won't continue to read them. That is a sample.

So much for characteristic extracts from reports of internal listening comment. These reports were not simply pigeon-holed. They are reviewed weekly and acted upon.

Now, for one or two excerpts from the reports of outside listeners:

"Chamber Music—Since chamber music is perhaps the most difficult form of music to appreciate, a few—very few—finished ensembles on a national network would probably be sufficient. The leaders of these ensembles should exercise great care in the choice of selections for a half hour if the program is to be attractive. Whole quartettes, unless performed in a highly artistic manner, are most wearisome."

"CBC announcers—CBC announcers sound as though they were terrified to laugh, or deviate in the slightest from what appears to be a set of rules and regulations laid down in such a way that death is the penalty for non-adherence."

I don't agree with that criticism, but there it is.

"Magical Voyage—A children's program of a highly commendable nature. The imaginative world represented in this story should prove interesting to the children and serve as a healthful stimulant to their creative thinking. The parts were taken at a very natural speed but a slight slackening of this tempo might assist in raising the program to a higher degree of intelligibility for a child's mind. This seeming paradox is explained by the fact that a child cannot follow conversations and activities in which he is not participating with the same ease as those in which he is taking an active part."

"Scrub Oak Hollow—An outstanding program. Mr. Bruce Hutchison achieved a real triumph in the art of description through the medium of words. His word pictures of the leading personalities in parliament and the Senate were painted with great artistic skill and could not fail to be of interest to every Canadian. His humorous sidelights on politics were pointed and of real entertainment value."

Program correspondence is a factor in the attitude of the public; but it is a factor which has to be interpreted with specially careful discrimination. There is, for example, the category of letters specially asked for by sponsors of commodities advertised by popular programs. These are often encouraged by bonuses, prizes, and so on. Their value, except in comparison with efforts of the same kind, is not very important. There is then the ordinary category of correspondence unsolicited. It is important to remember that a vast majority of listeners

representing, perhaps, the solid mass of opinion would no more think of writing about their radio programs than they would think of writing to the newspapers unless something is said or done in a program which seriously upsets their personal predilections. It is true, also, that there is a kind of professional correspondent. People who write about programs usually have some particular interest that they wish to serve or some grievance, real or imagined, which is inclined to distort their general picture. But as long as program correspondence is construed in a common-sense way, it is a useful aid in interpreting public opinion and in assessing the relative acceptability of programs. But it must be interpreted with special caution and also with the knowledge that it is capable of being controlled and directed.

Now, I have come to the conclusion after the years of experience I have had both in the United Kingdom and on this continent, that the listening public on this continent—that applies to both the United States and to Canada—is much more conservative than the public of the United Kingdom. I am not saying that in any political sense. There is a tendency to become so attached to certain features that when they are removed from a program there is relatively more disturbance here than would be the case in the United Kingdom. There is great danger in giving way to this, and that is a thing one might easily do. This would result in very serious risk to the development of the art form of radio.

The study of program correspondence is not without its humorous side, and there are many occasions on which opinions tend to cancel each other. Now, I am going to read you some extracts from correspondence received in recent months and directed to myself personally.

Mr. ISNOR: I wonder if we could just have this "taken as read." I do not want to curb you at all but I was wondering if we could not perhaps shorten these proceedings. I do not know how members of the committee feel about it—

Hon. Mr. STEVENS: I think this is tremendously interesting and illuminating.

Mr. ISNOR: Would you be long in finishing?

The CHAIRMAN: I do not think Mr. Murray has a great deal more to place before us, but I must say that I find it very, very interesting.

Hon. Mr. STEVENS: It certainly is.

The CHAIRMAN: I am enjoying it.

The WITNESS: There are only a few more extracts, I shall hurry with them.

The CHAIRMAN: I think probably we had better let him finish reading them.

Mr. ISNOR: I did not want to be discourteous at all.

The WITNESS: In hardly any case, of these extreme views, does the correspondent sign his or her own name. There is usually a pen name or initials. Moreover, I am not suggesting that the extracts I am now going to read are, in any sense, representative. These extracts, of course, represent a certain concentration of prejudice which would be unjust to impute to the tolerant and long-suffering general public. Here are the extracts:—

"Your football commentator Saturday would have been good but he was a dirty Dogan."

"We are sick and tired of domination of radio by a clique of Scots Presbyterians."

"CBC programs; always deplorable, have plumbed new depths of degradation. Nothing but cursed symphonies and high brow talk-jabber, day in and day out. For heaven's sake give us more jazz and vaudeville."

"I thought the CBC was meant to lift the listener's taste. If so, you have failed miserably. From morning to night you pour out the disgusting decadent Yankee jazz eating at the moral fibre of our people. Charlie McCarthy and Jack Benny should not be broadcast in a Christian country."

"Can't you please cut the religious cackle all day Sunday? It's so bad now that in our family we don't turn on the radio until Jack Benny arrives and we close it off after Charlie McCarthy. If you knew your business, you would give us Charlie and Jack every day and dump all that tedious uplift that drives us all to distraction."

"The fellow who said Chamberlain was right should be taken out and shot—and this goes for you too. I suppose it is because you are an Englishman that you allow our intelligence to be insulted by this dreadful propaganda for the British government."

"One of your speakers in the 'Round Table' from Toronto last Sunday made a dirty low-down attack on Mr. Chamberlain. Now, I am all in favour of free speech but I will not stand for disloyalty to England. I suspect you are nourishing a dangerous Communist core bent on ruining the British Empire. Is it true that you were once a radical agitator in B.C.?"

"I have had to protect my family from the foul language of Shakespeare by forbidding the use of the receiver on Sunday evenings."

By Mr. Martin:

Q. Somebody will be reading that record and I think I should ask—not that it matters—you are a Canadian by birth, aren't you?—A. Yes, a native son of British Columbia.

Mr. MARTIN: You have the misfortune of going to the wrong English university but outside of that it is all right.

The WITNESS: To sum up, Mr. Chairman; as we look forward in this art form and in this service here are the main points: Search for and development of personalities; further training and recruitment of announcers; needs of the rural population; schools broadcasting. We have to consider program planning, vertical and horizontal, with the encouragement of selective listening; the bringing in of a plan which will give maximum advantage to the listening public by the use of all the facilities publicly and privately owned throughout the Dominion. Improved information service, microphone, newspapers, publications and facsimile; preparing for possible national emergencies; preparing for the advent of the visual; less dispersal of effort; which by the way is a concrete suggestion made by this committee—and I think it is a sound one; occasional silence even at the risk of abuse might be desired. That reminds me of a crisis that occurred in one of the chains of the United States when they were doing a program on Armistice day, and there was an item in the program of two minutes silence. There was reported great alarm in parts of the middle west because it could not be discovered who was originating the silence. A response to the demand for intellectual stimulus; and finally this objective, to make available to all Canadians the best entertainment, culture and enlightenment, and to make the rest of the world increasingly aware of Canada.

Now, you have listened with great courtesy to my account of the operations of the CBC. Fortunately, this account was preceded by statements of policy framed in the inimitable eloquence and glowing imagery of Mr. Brockington. My submission would be incomplete if I omitted some observations of perhaps a more personal nature than has characterized the reports. And I would ask you to accept the more personal observations as being statements of fact and in no sense the conventional compliments or tributes.

First of all, I would refer respectfully to the Minister of Transport, whose responsibility as parliamentary spokesman for the CBC means that he is involved to some extent alike in the credit and the discredit for our deeds and misdeeds. During our two and a half years of concentrated activity and, I believe, unparalleled expansion, Mr. Howe has never once allowed even the

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suspicion of political partisanship to embarrass the conduct of our work. In giving us the measure of freedom contemplated by parliament, he obviously took risks, but he did so willingly and consistently. I know that some of our acts were troublesome; some indeed were anything but advantageous politically. But on these grounds there never has been complaint. On general grounds, of course, there have been occasions on which Mr. Howe thought we were wrong, and when he did so, he said so with due emphasis, but always in a spirit of understanding appreciation. His support is invaluable. This applies also to Colonel Smart, the Deputy Minister of Transport, and the indefatigable officials of the ministry, two of whom in the persons of Commander C. P. Edwards and Mr. W. A. Rush, have been before you.

Secondly, I would be failing in my duty to omit reference to the board of governors, that splendid group of disinterested, public-spirited Canadians, who have given so unstintingly of their time and energy to frame our policy, to supervise our activities, and perhaps chiefly to give us dynamic encouragement. Mr. Brockington, as chairman, Mr. Morin, as vice-chairman, and their seven colleagues have approximated, in my opinion, to the ideal conception of trustees of the public interest.

Thirdly, but by no means least, there are the members of the staff. A few have already been mentioned in reports on aspects of the work, for example, my colleague, the assistant general manager, Dr. Frigon, and the general supervisor of programs, Mr. Ernest Bushnell. To be really fair and just, there should be a complete recital of names. For zeal, devotion to duty, enterprise and tenacity the staff of the CBC are in my experience unexcelled; they are indeed an outstanding body of young men and women; and young they are too, the average age being 31. Their task is to develop in Canada a broadcasting service that can compare with the BBC, which numbers in its staff 4,060. The total staff of the CBC throughout Canada is 437. These young men and women work much too hard, but in this they are their own hardest taskmasters. Their rewards are meagre, but they do not complain. I have had on occasion to take disciplinary action to induce members of the staff to go home after hours or on Sundays.

Reference has already been made to one or two announcers whom I have described as ideal. I should have made it clear that this was a personal view, although one not given without special consideration. Members of the committee will understand that the merits and demerits of announcers are necessarily gauged according to personal assessment. We have at the present time 32 announcers on our staff and in addition there are 17 other members of the staff, also qualified announcers, used for special occasions.

Taken as a body the announcing staff of the CBC now compare well with any other announcing staff in the world. Mistakes are less frequent than they were and microphone technique is steadily improving. Moreover, they have now the background and experience to make it not only safe but desirable to give them an increasing degree of individual latitude in the development of personality. I have already dealt with the policy point of attempting to incorporate the best qualities of the British and American traditions in announcing while not copying their defects and while above all superimposing a distinctive Canadianism. Also, the time has come when we must do something more definite to make announcing a worthwhile profession in itself. Except for those announcers in the United States especially engaged for big commercial programs, the rewards are admittedly inadequate. This being so, there is a natural tendency to seek promotion to executive jobs which carry better salaries, but the service loses thereby.

The process of correcting the inequality of reward is now beginning. Someone might ask why this process has been delayed, why it had not begun two years ago or earlier. The answer to that is simply that we have only now

constituted a balanced nucleus of a corps of announcers. Having secured this balanced nucleus, it is obviously imperative to make the conditions of work and the prospects reasonably attractive. Announcing is perhaps the most difficult of our jobs, and there is a tendency to monotony. There is the danger that it will be allowed to decline into something of the nature of repetition work in factories. This danger must be obviated at all costs. The announcers are our shop window. They are the voice of the CBC—they are the living link with the public—therefore, the protection and the care of announcers should be a cardinal point of enlightened broadcasting administration. Fortunately, we have excellent material on which to build, but further recruitment and general improvement must continue.

Another point, but by no means an unimportant one, about the accent of announcers. On the general issue, I have already said that both in English and in French we want our announcing to be distinctively Canadian, neither English nor American nor European French. The next point is, should it be standardized Canadian? There are undoubtedly certain regional and provincial dialects in Canada. Perhaps the problem of the French announcing is the simplest because there is a pretty well established standard of cultivated French-Canadian speech. There is, however, no such established standard of Canadian-English covering the eight provinces in which Canadian-English is the predominant language spoken. Standardization is neither sought nor desired. I think it is a bad thing. Ideally, reasonable play should be given to representative dialects. I, for one, believe that I can distinguish between the dialect of Canadian-English as spoken for example in Nova Scotia, Ontario and British Columbia, but I might find it hard to get even minority acceptance of my own view in this matter. Regional dialect is admittedly not nearly as easily distinguished in Canada as it is in the United Kingdom, where I fought a prolonged, and I am sorry to say, a losing battle on behalf of dialect in British broadcasting, but I still adhere passionately to the view that it would enrich British broadcasting if their announcers represented the dialects of Scotland, both North and South, the Border County, Yorkshire, Lancashire, Northumberland, Cumberland, Wales, Devonshire, Cornwall, Northern Ireland (nor would there be any harm in bringing in Southern Ireland too) as well as the now standardized announcing accent which is in theory at all events a compromise between the distinctive accents of Oxford and Cambridge, with an admixture of the dialects of Surrey and Middlesex. In the case of Canada, admittedly the difference in regional dialect is not nearly so marked as it is in the United Kingdom. Nevertheless, it exists and it may be promoted by the right use of broadcasting, particularly in terms of announcing. I would like to feel, therefore, that as our technique of announcing matures, not only the general standard will be recognized as worthily and distinctively Canadian, but also the dialect of at least each region will be reflected and encouraged to the increasing satisfaction of the listening public.

Now, to revert to the staff as a whole, something of the spirit of the organization is reflected in this extract of my last Christmas message sent to each member of the staff of the CBC:—

I am sending you a Christmas letter instead of a Christmas card this year because there is a special personal message to communicate.

You have carried on splendidly in a year of exceptional difficulty and expansion. Next year, however, will be much harder. Our responsibilities steadily widen; both potentialities and dangers increase. On one thing there is certainty; the maintenance of progress will impose a steadily increasing burden on us all. And the only dividend in our business is the consciousness of contributing perhaps a little more all the time to general happiness and national well-being.

Now, I think it is worth recording the experience I have had in developing this staff. When, about two and a half years ago, I took over the nucleus of the staff which was to continue building public service broadcasting in Canada, a decision had to be taken as to the best of the several courses open in the recruitment of staff and the development of personnel. Having been in the British Broadcasting Corporation's service for the previous thirteen years, I would naturally be expected at least to be inclined to copy the BBC method of recruitment and perhaps also to transfer personnel to Canada. In so far as I had advice, it was mostly of the kind that suggested that the best way to develop Canadian broadcasting rapidly was by importing responsible personnel from the United States, from Great Britain, and from the continent of Europe. There were not lacking those who said that there was no adequate personnel in Canada. Although I had been away from my own country for nearly a quarter of a century, I declined to accept this view, suspecting then, what I afterwards discovered to be true, that there was some ingredient of an inferiority complex in its psychological background. I said that if Canadian broadcasting is to be worthwhile, really distinctive, and acceptable, in the international sense, it must be built by Canadians who are indigenous to the soil, and who are really representative of Canadian life and aspirations. Not only has this attitude been justified but, if you accept the view that there has been a reasonable degree of progress and that something worthwhile has been done in the intervening two and a half years, you should also accept the view that the personnel available in Canada has been the best for the purpose. So far as I am concerned I shall continue to pursue the policy of developing distinctively Canadian staff, especially for the creative and production work of broadcasting. We shall, of course, take all advantage of the experience in other countries, but this is a Canadian job and should be dealt with in a Canadian way.

That concludes my presentation, sir.

MR. PATTERSON: Before Major Murray leaves us may I say that this morning I received, as I believe probably all the other members of this committee received, a copy of an editorial published in the Mirror of Toronto; and under the title of the paper are in quotation marks the words, "Reflects the World of Entertainment." It is published at Toronto by the Tabloid Publishing Company, 330 Bay street, and in it appears an editorial which is headed, "Broadcasting to the Fish"; and it goes on to say:

The issue recently before the parliamentary radio committee in Ottawa with regard to the proposed slashing of 50 cents from the radio licence fee is bringing to light some interesting facts. In the first place Gladstone Murray, general manager of the CBC points out that the 50 cent reduction would mean a \$600,000 reduction in revenue.

And then it goes on to say:

Let us look at the first point the general manager brought up. When the high-powered station in Sackville, N.B., starts in operation it will serve an area within a radius of 400 miles from Sackville. We, as owners of radio licences must pay for the building and upkeep of this 50,000 watt CBC station. But what will the station do for the people of Canada? What added advantage will this station give to listeners in Canada to make the huge expenditure of public money worthwhile?

One of the total coverage of the station will be broadcast to the Atlantic ocean. The fish in the sea will be able to tune in to Canada's fine music and Canada's excellent speakers. In as much as the fish use Canadian waters they have a right to Canadian entertainment. We don't object to that. But these fish have not bought radios and without radios they do not pay radio licence fees. The CBC seems to have overlooked the revenue to be had from selling radio sets to these fish not to mention the revenue they would collect from the licence fees.

Now, Mr. Chairman, I would just like to say that I absolve all the members of this committee from Ontario or Quebec from sharing the sentiments expressed in this article. I think that sentiments of this kind do not tend to promote unity in Canada at all. I may say that we in the maritimes did not put up any kick for these big stations that were built in Ontario and Quebec; and while we are naturally free-traders in the maritimes we do not like to have too much free stuff coming across over the air from the United States. I do not wish to interject any discordant note into the peaceful proceedings of this committee, but I would just like to point out that it is articles such as these that tend to show that in some parts of Canada at least the maritime provinces are considered as the tail of the dog, and while I do not want to throw out any threats or anything of that kind, might I say that sometimes the tail of the dog may refuse to wag.

Mr. BERTRAND: So far as Quebec is concerned, my hon. friend may be absolutely assured that we are not in accord with the writer of this article; we are glad that the Canadian Broadcasting Corporation are building a powerful station in the maritime provinces, and we should be happy to pay our share.

Mr. PATTERSON: Thank you.

Hon. Mr. STEVENS: I would like to ask Mr. Murray one or two questions.

The CHAIRMAN: Yes.

By Hon. Mr. Stevens:

Q. I want to say at once that I think Mr. Gladstone Murray has made a very excellent presentation on behalf of the CBC, and I want to record my personal appreciation of the most intelligent, clear manner in which he has outlined his extremely complex duties. Now, Mr. Murray, I want just to ask you a few questions regarding shall I say the rules which control or direct the CBC's own operations, as distinct from the regulations, the printed regulations, by which they direct or control the operations of private stations—I am not referring to those at all. Now, in order that I may, shall I say, make clear the question which I wish to ask may I just cite a few phrases from Mr. Brockington's evidence in order to justify the questions I am going to ask you. All of these are on the record and I am merely calling attention to one or two, or more, phrases. Mr. Brockington in referring to various matters in connection with the CBC and particularly perhaps in connection with the so-called McCullagh incident—I am not interested in that at all—used words like these, "As our definitions stand at present"; then, in another place he says, "the CBC policy was", and so forth; and then this phrase, "as it purports to reflect the policy of the commission"; then in another place he uses this phrase, "of what was a direct rule", referring to the CBC's own operations; and then, again, "when the CBC made regulations in regard to chain systems"; and then another, "I do not think we changed any regulations"; and so on. I think that will be sufficient to indicate what I am going to ask. Now, what I want to ask you, Mr. Murray is this; is there any set of rules or regulations that control the operations of the CBC's own stations, and its operation of the chains?—A. There is a growing body of regulations, necessarily, because new problems are being met every day, and as they are met I refer them for policy rulings, and these rulings are given to me; so I think the answer to that is there is a growing body of regulations.

Q. Yes; now, that growing body of regulations, Mr. Murray, I presume is recorded in the minutes of the CBC board of governors meetings?—A. The policy points presumably, yes.

Q. I gather that from the sayings which I have quoted. Could you furnish the committee with a brochure extracted from the minutes of such rules and regulations?—A. I fear, Mr. Chairman, that perhaps my territory being admin-

[Mr. W. E. Gladstone Murray.]

istrative I could furnish the committee only with my memoranda of my interpretation of the policy decisions. It would not be proper for me to give extracts from the minutes of the board of governors meetings.

Q. Yes. Please get this clear, Mr. Murray, I am not thinking now in an indirect way to get minutes; I am not interested in minutes as such, but I am interested here in their decisions of policy and governing regulations that are apparently recorded only in the minutes and not elsewhere. Therefore, I suggest again that steps should be taken; and I would like to ask, Mr. Chairman, that Mr. Murray be instructed to furnish the committee with a set of these decisions and rules and regulations, and policy declarations.—A. Might I ask this, Mr. Stevens; if I provided a memorandum setting out the guiding principles on which my executive actions are taken, would that be sufficient?

Hon. Mr. LAWSON: Would not the word administrative be more correct than the word "executive"?

The WITNESS: Administrative, yes.

'By Hon. Mr. Stevens:

Q. Before I respond to that quite reasonable request might I perhaps direct a question in a little different way; first let me ask this, the CBC administers four stations—or how many is it?—A. Nine.

Q. Nine stations?—A. Yes

Q. And they also administer or operate a chain?—A. Yes.

Q. Which would include...?—A. Twenty-seven more stations; the network, yes.

Q. Does it not seem reasonable, Mr. Murray, that operating such a large number of stations and these chains that the CBC ought to have some definite regulations which could be known to the public?—A. Well, the first set of regulations was published. It had been thought that the situation was so rapidly changing that until such time as we had completed the high-powered transmitters it would be undesirable to get a whole expanded body of regulations assembled together for publication, because the scene was such a rapidly changing one. I am quite ready at any moment to produce all the regulations on which I am conducting my administrative acts up to that moment.

Q. I would ask that they be produced. I want Mr. Murray to understand this, that this is not offered in a critical sense; as a matter of fact, I am less critical now than I was when the committee opened its proceedings. I say, though, that is a weakness in your institution. The CBC is a public body, as Mr. Brockington said, administering a great public resource; now, I would like to press the point that there should be known to the public the general policy, the general regulations and rules which govern the administration of that institution?—A. Yes, Mr. Stevens; I am very conscious of the defect to which you refer; lack of information on some of these points is not in the public interest.

Q. You will furnish what you have suggested?—A. Yes.

Q. There is one other subject I want to ask you about. Now, reference has been made to the CBC as a great national service—educational, cultural and that sort of thing—

Mr. ISNOR: Before you leave that, Mr. Stevens, would you mind my asking one question along the same line?

Hon. Mr. STEVENS: All right, I have been waiting for three or four weeks to ask three or four questions, and each time I have tried to get started I have been held up.

By Mr. Isnor:

Q. These are the regulations as printed by you in 1937? —A. They are still in force.

Q. They are still in force?—A. Yes.

Q. Do they affect stations other than those referred to by Mr. Stevens?—A. Oh, yes, they affect the whole frame-work of broadcasting in Canada, public and private.

Q. Including your own stations?—A. Yes.

Mr. ISNOR: That is all. Thank you, Mr. Stevens.

Mr. WOODSWORTH: I would like to say a word on that subject before we pass from it; that is, if Mr. Stevens is now going to bring up an altogether different subject.

Hon. Mr. STEVENS: Oh, all right; I have been waiting patiently for a chance to go on.

Mr. WOODSWORTH: We have waited, some of the rest of us, for Mr. Stevens.

The CHAIRMAN: I think probably it would facilitate our proceedings if when a question arose as many members as are interested would participate in the discussion, so that we might dispose of that point at the time it is before us.

Mr. WOODSWORTH: Mr. Chairman, there was a phrase which struck me in the presentation which Major Murray made, and I agree with Mr. Stevens that it was an admirable presentation. With regard to what he called "a freezing of programs," it seems to me that there is possibly a little danger of the freezing of administration regulations. I take it that that is what Major Murray is anxious to avoid. He has impressed upon us the rapidly changing character of radio.

The CHAIRMAN: In other words, they should be elastic.

Mr. WOODSWORTH: Quite. I can very well imagine that if a regular code is laid out it might be difficult under slightly different circumstances to adhere to that code; and I think it should be clearly understood that any set of regulations that are put forward at this time do not necessarily have to be adhered to for the next twelve months without modification. That is one thing I feel we should understand very clearly.

Again, it would seem to me that Mr. Stevens rather implied that since it was a public corporation—I am glad to think it is a public corporation—that that meant of necessity the whole public should know all the details.

Hon. Mr. STEVENS: Oh, no.

Mr. WOODSWORTH: I just wanted to put that in to safeguard that point, because Mr. Stevens and I have both sat on the Banking and Commerce committee, and I have yet to hear a request that Mr. Towers should give in detail the rules and regulations governing the banking transactions that are taking place with the central bank.

Hon. Mr. STEVENS: Mr. Chairman, I cannot allow that to go without immediately challenging it. I made it perfectly clear to Mr. Murray that I was not asking for the minutes of the corporation. I was directing my question purely and simply on the basis of broad, general regulations of policy, and so on.

I should like to say also that I do not see that there was any reason for me to yield the floor just now.

Mr. WOODSWORTH: Possibly Mr. Stevens will admit that others may have an idea different from his, and mine was particularly on that point. I think I was perfectly in order, Mr. Chairman, and you gave me the floor.

The CHAIRMAN: I think everyone will try to get along amicably here.

Hon. Mr. STEVENS: I have been sitting back for some weeks now waiting for an opportunity to ask some questions. I intended to ask Mr. Brockington but each time something occurred and I did not do so. I want to make it perfectly clear to Mr. Woodsworth that he absolutely wrongly interpreted my question.

[Mr. W. E. Gladstone Murray.]

Mr. WOODSWORTH: I am very glad to know that.

Mr. DUPUIS: Do we understand that your views are opposed to those of Mr. Lawson on that subject?

Hon. Mr. STEVENS: I was not expressing views at all; I was asking Mr. Murray some questions.

Hon. Mr. LAWSON: I am quite competent to ask my own questions, and the reason I did not butt in was that I did not wish to interrupt.

Mr. DUPUIS: Mr. Stevens said he did not want the minutes.

Hon. Mr. STEVENS: I said as far as these questions were concerned I was not asking for the minutes of the meeting.

By the way, I am asking questions. Mr. Brockington made it very clear, and I think quite properly, that national, educational and cultural matters were the object of the CBC. You have emphasized, and I think properly, that the Canadian feature should be kept to the front. I think you have done a good job in that respect. I presume that the CBC is anxious to get to the people of Canada as truly a British view of news—British news—as is possible. I am asking if that is the case?

The WITNESS: When confronted by the same problem in the British Broadcasting Corporation, I tried to solve it by establishing the identity of truth with the British view.

By Mr. Stevens:

Q. From what sources do they get their European and British news which is broadcast by virtue of arrangements between the CBC and the Canadian press?—A. I understand, although I am not speaking with accurate knowledge of this, that they have access to all the main news agencies.

Q. Do they not come chiefly from the Havas agency?—A. No, I do not believe that is so, but I am subject to correction on this. The Canadian press have access to all the main international services. If you like, I will take that up and be more specific on another occasion.

Q. I wish you would. The Havas is a French agency?—A. Yes. Of course, Canadian Press have their own London bureau. I think most of the news that comes from London to the Canadian press is from their own employees.

Hon. Mr. LAWSON: I suggest they call Mr. Carnegie as a witness. He will tell us all about it.

Hon. Mr. Stevens:

Q. The CBC have made a contract with the Canadian press, have they not?—A. There is a memorandum of agreement which is on the way to being a contractual arrangement.

Q. I think Mr. Brockington said that when you were on the stand you would explain what that agreement is.—A. Mr. Brockington read the memorandum. In brief, it has this effect: At the present time, and for some years past, the Canadian press has been providing, first of all, the radio commission and then the corporation which succeeded it, a free service of news. One main news bulletin is put out in the evening period. The whole responsibility for the preparation and selection of the items is undertaken by the Canadian press at no cost. With the development of our regional scheme and the development elsewhere of a new technique in news, it was imperative that we should find the best way of giving not one main news bulletin a day but a series of news bulletins, and perhaps also a flash service; that is to say, news of importance as and when the event which it describes happens. So we had to look around to get that kind of service. Keeping informed as to what was happening in the United States and Great Britain we developed parallel

negotiations with the Canadian press. Realizing that that body represents practically all the newspapers of Canada, it was more likely that we should be able to get what we wanted by co-operation with them than from any other source. That is the background of the arrangement.

Under the arrangement we shall pay them their out-of-pocket expenses for the service which they will render us, a service which is non-exclusive in the sense that we are not prevented from using other services, certainly on an unsponsored basis.

We shall be able to give, in terms of practice, and we hope within a short time, an additional, national bulletin about midday with regional bulletins interspersed at appropriate intervals, as well as a flash service. In other words, it means bringing up the standard of broadcasting news in Canada to the level of the best broadcasts elsewhere.

One new point that will be established under this arrangement is this. Hitherto no special attention has been given to what is called stylizing of the news for broadcasting purposes. The Canadian press has prepared the news to our general satisfaction, but it has not had the facilities, staff or otherwise to stylize the news. We are going to undertake that in co-operation with the Canadian press both centrally and regionally. So that the news will be presented, as it should be for broadcasting purposes, as a spoken essay—the short sentence, perhaps almost a development of the "basic English" technique.

Q. You have a contract or agreement with them and you pay them \$20,000 a year; is that right?—A. That figure was mentioned. That is a figure which was intimated by them, representing roughly what they imagined their out-of-pockets to be. That will be their out-of-pocket expenses incurred for this service in terms of staff and extra work. That is a maximum figure, and that will not be reached if the expenses demonstrably incurred by them are not up to that figure.

Q. I want to make this point clear, that I am not criticizing this arrangement with the Canadian press. But there is one point in it that I want to get your view upon or your answer, and that is this: If the Canadian press receive their continental news through Havas, would it not be preferable for the CBC, broadcasting all over Canada, to receive also a service that would interpret the continental news through British sources, rather than from French sources?—A. In answer to that, Mr. Stevens, I would plead again that I have not in front of me the details of the sources of the news; but I would say on general principles if it is assumed that the Havas service is anti-British—

Q. No, I am not assuming that. But I do say that the Havas news—and I am not criticizing them for this—puts a pro-French interpretation on continental news. I think sometimes it is distinctly opposed to the British interpretation of the same news items.

Mr. DUPUIS: Have you some instances?

The WITNESS: If that were so, it would obviously have to be dealt with. I am not admitting that it is the case, but I am glad you raised it, if there is any doubt in any quarter.

By Mr. Stevens:

Q. Well, I am going to suggest to you, if I may, or ask you to consider the advisability of securing for Canadian listeners continental news through British sources. If it has only one, then I would say it should come through that source; if it has to be continued, let us at least have the British interpretation of continental news.

The CHAIRMAN: Might I offer a suggestion? Might it not be well to allow the Canadian press to give this committee information as to what

agency they use to get their continental news with which to supply the Canadian Broadcasting Corporation?

Hon. Mr. STEVENS: I have no objection to that. I am just following through a line of questions that I had in mind.

The CHAIRMAN: All right.

Mr. MACKENZIE: Do we not get news bulletins now from an agency known as the British United? Is that a British company?

Hon. Mr. STEVENS: You mean the British news?

The WITNESS: No; the British United Press. It has its headquarters in Montreal, I believe.

By Mr. MacKenzie:

Q. It is not British?—A. I am not qualified to answer that question.

Mr. WOODSWORTH: Could we have a word as to whether or not the suggestion of Mr. Stevens has substantial foundations or not?

The CHAIRMAN: I really believe, Mr. Stevens, that before we go very elaborately into that phase of it we should find out where the Canadian press gets the news which they supply to the CBC. The impression might go abroad that the CBC is broadcasting news which comes from an agency that is foreign.

Hon. Mr. STEVENS: I am not objecting to them distributing or broadcasting news from a foreign agency. That is quite all right. What I am asking Mr. Murray is whether he can tell us what is the interpreting agency that broadcasts to us continental news?

The WITNESS: Yes. Well, Mr. Stevens, I am bound to reserve a detailed answer, but I will give you an answer. I watched the news with the greatest care, having had some years' experience doing it in Great Britain, and I would say that there is no anti-British bias in it, this I can assure you.

By Hon. Mr. Stevens:

Q. Not necessarily. I do not wish to express opinions, but probably I might be permitted to do so. I am inclined to think that there is a continental interpretation of it that probably is not quite as accurate as we might get through British sources.—A. That is a very important point which I shall be most anxious to investigate.

Q. Having in mind what Mr. Brockington said about the broad, non-partisan and non-propaganda character of the CBC, what would you think of having a sort of free trade in the news sources, such as the British source, the French source, if you like, and possibly the American source? Why not have it as broad as we can?—A. Ideally, of course, we should probably be our own news collectors, distributors and handlers; then we could deal with all purveyors of news and collectors independently. But such a development is beyond our present resources. We have to make the best deal we can with the best available sources. Of course, we must maintain absolute fairness, and we must resist any bias.

Q. In all of this, remember, I am making no reflection whatever on the Canadian press or Canadian news; I am merely speaking of the possible danger of getting coloured news in this important case of European news.

—A. Yes.

Q. I understand from Major Murray that he will check up on this matter?

—A. Yes, I shall.

By Mr. Héon:

Q. Would it be correct to say that if a case arises which is not covered by your book of regulations, you refer that particular case to the board of governors and they place an interpretation upon it and you simply execute the board's ruling?—A. That is the procedure, but it is a rapidly moving

business. There is a crisis several times a day, and by virtue of the fact that I have to deal with situations as they arise I perhaps have to exercise more latitude than is normal. But subject to that limitation your description of the procedure is correct.

Q. You feel that you are given all the necessary latitude in interpreting the cases as they come to you? You are not being interfered with by the board of governors?—A. The degree of latitude I have causes me sleepless nights.

By Mr. Bouchard:

Q. Is there any executive to whom you might refer some questions if the whole board is not available?—A. We are constantly in touch on the telephone. The provision in the constitution for an executive committee of the board was not acted upon because the consultation is as close as it can be with the whole board.

Q. Referring to the last question of Mr. Stevens, do you think that the short-wave transmission would counteract that effect of news from different sources? With the new sets it is easy now to get the news direct from Paris, Berlin or the different news agencies in Europe. It occurred to me that that might counteract the taint or bias which might affect some of the news.—A. The answer to that is hard to give because you have to begin by determining to what extent the short-wave listener takes a comprehensive view of his listening responsibility. My own limited experience is that there is a following of special stations. I mean to say, for example, there is a very attractive woman announcer at Rome, and, in my limited experience, her voice and her manner attracts a fairly consistent and, I believe, a growing following. I do not know to what extent, frankly, the average short-wave listener ranges the whole field of European transmission in the evening.

Mr. BOUCHARD: For three or four days in the week it is very easy for me to follow the news from Europe.

By Mr. Dupuis:

Q. Does the CBC take advantage of that short-wave system to control the news coming from diverse sources, or does the Canadian press avail themselves of that medium?—A. I presume so. I am not sure of the practice of the Canadian press. We have a constant monitor on all the short-wave services. We are aware of what is going on throughout the day and night. Of course, our special arrangement on short-wave broadcasts is with the BBC. We take from their empire service all their main features that are of interest to Canada; not, however, the news service except in times of emergency. During the last emergency we carried the main news bulletins of the BBC empire service as the basis of our energy service to Canada. Also, the now historic re-broadcast of Mr. Chamberlain's remarks, ten days ago. That was taken from the BBC short-wave transmitter.

Q. Suppose, for instance, that what Mr. Stevens fears is correct, that the Havas news from the continent is tainted with a pro-French interpretation; would that not be controlled by the CBC through the short-wave stations?—A. That news, before it would get to our news bulletins, would have to pass through two sieves, first of all, the Canadian press sieve, and my own feeling is that any bias subject to criticism would be removed by the Canadian press sieve. I am not sure to what extent that would be done; but they would consider it having due regard to public policy in Canada and throughout the British empire. Secondly, it has to pass through our hands, so that there is a second sieve. But with regard to the reception of that news on the short-wave, we would not put it into our service in any event.

The CHAIRMAN: Are there any other questions, gentlemen?

[Mr. W. E. Gladstone Murray.]

Hon. Mr. LAWSON: I have no questions, but in respect to the discussion between Mr. Stevens and Mr. Woodsworth a short time ago, I should like as a member of the committee to express my view; first, in support of Mr. Stevens, that if the regulations which govern the CBC were made public and were public property, and if afterwards in the course of administration the CBC did not run contrary to those regulations without first amending the regulations, you would save a great deal of grief and many complaints that members of parliament now get in connection with radio administration.

Mr. BOUCHARD: I should like to put forward another suggestion. Would it be possible, Major Murray, to have a handbook more complete than this one prepared and given to prospective speakers over the radio in order to help them prepare their speeches? Have you ever thought of preparing something on the psychology of the radio listener?—A. You mean aids to speakers?

Q. Yes. I saw a valuable book in the United States on the psychology of the radio listener.—A. That is done by some of the other broadcasters. They prepare a specific guide on the choice of words, the length of sentences, and so on.

Q. I think you have a most competent man to prepare such a book. If it were prepared both in French and English I think it would serve a useful purpose, because many important and influential men have no idea of the technique of radio broadcasting.—A. I am grateful for that suggestion.

The CHAIRMAN: Gentlemen, will you wait for a minute or two; I think we will have to arrive at some decision which might be of importance.

Mr. ISNOR: Might I ask Major Murray another question?

The CHAIRMAN: Yes.

By Mr. Isnor:

Q. Mr. Murray, where is this news compiled which the Canadian press broadcasts?—A. In Toronto, but when we get our new system running it will be compiled also at each of our regional centres.

The CHAIRMAN: Gentlemen, it appears that the Advertisers' Association and the Private Broadcasters' Association, the only two organizations which made a request to appear before the committee, have decided not to appear. We have heard the chairman of the board of governors and we have also heard the general manager very extensively. What is your wish from now on?

Hon. Mr. LAWSON: May I inquire about another matter? Did not Mr. McCullagh make application and state that he wanted to be heard by the committee?

The CHAIRMAN: Mr. McCullagh has made no request.

Hon. Mr. LAWSON: I thought that at the very first meeting Mr. Slaght, a member of the committee, on behalf of Mr. McCullagh, said that he wanted to appear.

The CHAIRMAN: I do not think he made it in the form of a request.

Hon. Mr. LAWSON: I beg your pardon; I thought he did. I thought he wanted to come before the committee and that he asked to be heard.

Mr. HEON: I gathered from Mr. Slaght's remarks that he had been approached and that Mr. McCullagh asked to be heard by this committee.

The CHAIRMAN: This committee is composed of a number of members. I think the proper procedure for any one to follow who wished to appear before this committee would be to apply in the regular way, either to the chairman or to the clerk of the committee and request to be heard. The Canadian Private Broadcasters' Association made that request; the Advertisers' Association made that request, and they were treated in a most courteous manner.

I will read you what Mr. Slaght said:—

Mr. McCullagh indicated to me sometime ago, on one occasion when I was in Toronto, that he would like to be afforded the privilege of

attending before the committee himself on some appropriate occasion. He did not ask me to convey that to the committee, but I know that at that time it was his wish. If you think it appropriate to have the secretary communicate with him, I should like to have it done. If you do not think it is appropriate now, until a programme has been drafted out for us to proceed with, it might be that before anything like that which might be controversial should be brought out that we should go along lines that some members of the committee have in their minds as to the investigation or looking into other problems.

Mr. MACKENZIE: What problem was that?

The CHAIRMAN: The problem of broadcasting. But this committee has the power to summon anyone they wish to have or invite anyone they wish to have.

Mr. WOODSWORTH: I do not think we should go out of our way to look for trouble.

The CHAIRMAN: We have sat for many weeks and we have received no formal requests from anybody except the associations I have mentioned. What is the wish of the committee?

Hon. Mr. LAWSON: I can assure you, Mr. Chairman, that I have no desire of calling Mr. McCullagh; I simply had the impression that he had asked to be heard and I wanted to know if he had withdrawn it. If he has not asked to be heard, that is an end to the matter.

Mr. HEON: My view is that the committee should not extend an invitation if Mr. McCullagh does not want to be heard. It is up to him to ask to be heard.

The CHAIRMAN: Gentlemen, what is your wish from now on?

Hon. Mr. LAWSON: Mr. Chairman, I have just one thing on which I should like some information. I do not know how the other members of the committee may feel about it. Apparently the private broadcasters asked to be heard, then they had a conference last week, as I understand it from something that was said by Mr. Brockington—

The CHAIRMAN: They mentioned it in the letter.

Hon. Mr. LAWSON: They had a conference in Montreal and apparently whatever presentation they wanted to make has now been withdrawn because of some arrangement made between them and the CBC. As I for one frequently receive a great many complaints in connection with radio administration I should like to have a report from Major Murray or anybody else that he may desire to designate representing the CBC as to the subject matter of complaints of these private broadcasters and as to the disposition made by amicable arrangement and agreement.

The CHAIRMAN: Right at that point, Mr. Lawson, I think that you would be going beyond what the private broadcasters are asking themselves, because they claimed in their letter which I read—I have not a copy here because it was given to the clerk—that their grievances had either been ironed out or were in the process of being ironed out.

Hon. Mr. LAWSON: That may be, but I should like that information for my own knowledge.

The CHAIRMAN: I do not think it would do any good to give publicity to what they are trying to iron out until those matters are ironed out.

Hon. Mr. LAWSON: If that is so, keep the committee going until they are ironed out.

The CHAIRMAN: I am only offering the suggestion and it is their own suggestion, not mine.

[Mr. W. E. Gladstone Murray.]

Hon. Mr. LAWSON: The CBC in addition to operating its own stations does in reality control private stations and private broadcasting. The most frequent complaints which I receive as a member—I do not know about the other members of the committee—are alleged injustices, infringements, alleged use of public money to throttle private enterprise, and so forth, by the CBC.

The CHAIRMAN: Does that come from the private broadcasters?

Hon. Mr. LAWSON: I do not want to say it comes direct to me from the manager of some private corporation; it comes to me from individuals—let it rest there. Personally, I should like to know how much there is in these complaints and, obviously, now that they have been satisfied, there can be no public reason for not disclosing them. I am still going on the theory that half the troubles we get as members of the house, and half the troubles of the CBC, are due to this policy of secrecy, which I think is a terrible mistake in the public interest.

Mr. WOODSWORTH: I do not believe in any policy of secrecy, but I certainly do not believe in going out of our way looking for trouble. It seems to me that if Mr. Lawson has certain specific instances that have been brought to his attention, the thing to do is to bring this correspondence and lay it before the committee to give us an opportunity of considering it. Let him bring his letter and we will know from whom it comes and what weight to give to it.

Hon. Mr. LAWSON: Did I say I had a letter?

Mr. WOODSWORTH: You say you have had a great many complaints. Let him bring these complaints forward and we will know that A and B, on the one hand, and the radio commission on the other hand, are the people in trouble and we will deal with their complaints. I think it is rather out of place to go on a general fishing expedition and ask Mr. Murray to come here and dig up his complaints and spread them before the committee.

The CHAIRMAN: It seems to me in all fairness that we are placing the CBC in a very unfair position in asking them to come before the committee and state what are the grievances of the private broadcasters in this country. If these private corporations have any grievances this committee is sitting to hear their grievances.

Hon. Mr. LAWSON: I did not ask for their grievances; I asked for those that had been satisfactorily settled and disposed of. I am confident that Major Murray could very readily say that the private broadcasters allege so and so; that the CBC disagree, and that we have compromised as follows. I have no intention of making any issue of it or following it up. I am seeking it for my own knowledge.

The CHAIRMAN: Were you here when I read that letter?

Hon. Mr. LAWSON: No.

The CHAIRMAN: I think that letter covers everything, Mr. Lawson.

Hon. Mr. LAWSON: Mr. Chairman, do not let me take up the time of the committee, I will read it between now and the next sitting.

Mr. ROSS: Mr. Chairman, I should like to speak about an editorial which appeared in The Globe and Mail, Toronto, Thursday, March 23.

The CHAIRMAN: Do you know the name of the editor?

Mr. ROSS: I think so. This article is headed "Unsatisfied Major Murray." The article speaks of what Major Murray had to say the other day in the radio committee with reference to the controversy regarding somebody in the CBC telling the Globe and Mail that the Kaltenborn broadcast had been carried by the CBC. The article more or less takes Major Murray to task in regard to it.

At the end of the editorial this gentleman had something to say about myself, which I shall read:—

We hardly know what to think of a radio committee, representative of a dignified parliament, wasting time and money on such petty evidence and listening to such untruthful, irresponsible talk as was indulged in by the member for Moose Jaw. It is a remarkable observance of public responsibilities. This was recognized by Hon. J. Earl Lawson of York South, who attempted to have the western member's ridiculous statements withdrawn. The committee's chairman should have seen that this was done; but then that would have been correcting and rectifying a mistake, which does not seem to go in official radio circles.

Hon. Mr. LAWSON: I regret to say that this is the first time I have heard of the editorial.

Mr. Ross: I want to say, Mr. Chairman, that surely a member of this committee can make a remark giving his own personal opinions of somebody who is continually attacking public men in this country, and not have it charged up to the radio committee or a committee of this house. Any statement I made about the gentleman was made as my own opinion.

Here is a gentleman who is yelling from one end of Canada to the other about not being allowed free speech by the Canadian Broadcasting Corporation and the moment anyone goes back at him in this parliament he uses the *Globe and Mail* to try to crack down on him for using free speech.

Mr. Lawson took issue with me at the time, wondering whether I was charging this to Mr. Wright. I was not. I have nothing whatever to say against Mr. Wright. He got his money the hard way—out of one of the primary industries—and I have every regard for him. As a matter of fact, I know something of prospectors and miners because, as a child, I was in the Yukon territory for some time, and I must say they were very kind to me. I know that they are likely to spend lavishly the large sums of money they make on young people whom they happen to like. If Mr. William Wright wants to be a sugar-daddy to a political gigolo, that is Mr. Wright's own affair.

Mr. WOODSWORTH: Mr. Chairman, may I ask what dialect that is?

The CHAIRMAN: Gentleman, what is your wish for the next meeting?

Mr. MACKENZIE: Mr. Chairman, before you pass on to that, I should like to draw your attention to the apparently changed opinion which the political gigolo has with regard to this parliament. You will note that he refers to a "dignified parliament". I think that is worthy of note.

The CHAIRMAN: Gentlemen, will you kindly intimate to the chair your wish in regard to the next meeting?

Mr. DUPUIS: When is the next sitting?

The CHAIRMAN: That is in the hands of the committee.

Mr. BOUCHARD: If I may suggest something for future meeting, I should like to have something more about broadcasting as applied to rural populations. I should like if it were possible for Mr. Murray to tell us what is taking place the world over. If there was any time when it was needed, it is the present time, when everybody is talking about "back to the land."

The CHAIRMAN: You would like to get from Major Murray what is being done in other countries?

Mr. BOUCHARD: Yes, and more detailed information about his views for Canadian broadcasting in the future.

[Mr. W. E. Gladstone Murray.]

The CHAIRMAN: Is it the wish of the committee that Major Murray should be on the stand at our next meeting? I should like to remind the committee that Major Murray is rather busy now, this being the beginning of his fiscal year, although I think Major Murray is quite prepared to come at any time the committee would like to have him.

Mr. BOUCHARD: Are we going to sit again?

The CHAIRMAN: If the members of the committee wish any further information, but if the members do not intimate to the chairman whom they want as a witness—

Mr. BOUCHARD: If the committee is not going to sit again I will not press this point because I can have an interview with Major Murray and discuss it with him. He has always been very courteous. I would be quite satisfied if a few of the members representing rural constituencies could have an interview with Mr. Murray.

The CHAIRMAN: I think that would be satisfactory.

Mr. WOODSWORTH: Mr. Chairman, a number of us are on other standing committees and the days on which we can meet are limited. Unless it is necessary I think we ought to meet in order to draw up our report.

Mr. BOUCHARD: I would be in favour of that.

Mr. DUPUIS: There is one point I should like to raise, Mr. Chairman, concerning the question of allowing the sponsoring of the programs by the breweries which was discussed before the board of governors in Montreal last Monday. I should like to know if the suggestion made by a lawyer as to the legality of the action of the C.B.C. in refusing such permission was to be submitted to the Department of Justice for an opinion. I should like to know if that has been done by the board of governors.

The WITNESS: Might I ask was that the point in law arising out of the reference to the case of Russell vs. the Queen by Mr. Saint Laurent?

Mr. DUPUIS: It might be.

The WITNESS: If that is the case, then the reference is being made.

Mr. DUPUIS: Can you tell the committee what was the finding in that case?

The WITNESS: We have not got the finding yet.

Mr. DUPUIS: No, I mean—

The WITNESS: What the problem was?

Mr. DUPUIS: Mr. Saint Laurent gave the jurisprudence on one case, but what was the finding in that case? Was it a finding of the Privy Council or of the Supreme Court?

The WITNESS: I have not the papers available, but I gathered the issue at stake was the question of whether the fact of regulation and control precludes the possibility of prohibition. I believe the doctrine at issue is whether a body such as this, being given by Parliament the right to control the content and extent of any advertising, by virtue of that fact is thereby prohibited from saying there can be no advertising of any legal services or commodities. I am not a lawyer, so that is as far as I can get without notice.

Mr. WOODSWORTH: I move that we adjourn.

Hon. Mr. LAWSON: I think we should have one more meeting. Mr. Thompson indicated earlier in our proceedings to-day that there is certain information which he would like to have furnished by the officials of the C.B.C.; and I think he said the information has not been brought down yet, and he wants that before the sessions of the committee close. I think probably we could conclude in one more meeting. I suggest it is now ten minutes after one.

The CHAIRMAN: Whom would you like to have on the stand at the next meeting?

Hon. Mr. LAWSON: I have no desire for anyone; what I referred to was the information that Mr. Thompson asked for.

The WITNESS: What was the exact information?

Hon. Mr. LAWSON: I do not know. I heard him mention it this morning, with the statement that he would like to have it.

The CHAIRMAN: I think he referred to the names of the personnel, the salaries and expense accounts, or something of that kind.

Mr. WOODSWORTH: That involves another big principle, the same thing again.

The CHAIRMAN: I think, Mr. Lawson, you took this same ground last year, did you not?

Hon. Mr. LAWSON: No, I do not think so.

The WITNESS: No, only partly.

The CHAIRMAN: You did, in part; and I think that members of the committee were told that they are at liberty to go to the C.B.C., and I am sure that Major Murray would give them whatever information they would like to have, without making the salaries and so on public. I think that was the attitude taken last year.

Hon. Mr. LAWSON: I had really forgotten; the idea I had in my mind at the moment was that certainly no such information has been given to Mr. Thompson, and he was asking for it this morning again; and so far no one has given him any satisfaction or answer until just now. I suggest that you have one more meeting of your committee, which so far as I am concerned will clear up any evidence.

The CHAIRMAN: How about Thursday?

Hon. Mr. LAWSON: Whenever it is convenient.

The CHAIRMAN: We could have it to-morrow except for the fact that your party have a caucus and the members of your party would not be able to be here.

Hon. Mr. LAWSON: We could not come.

The CHAIRMAN: Then, we will meet again on Thursday morning at eleven o'clock; is that agreeable to members of the committee?

Mr. DUPUIS: Before the committee rises I would like to ask Mr. Murray if he could supply members of the committee with the decision of the Department of Justice about the point that came up?

The WITNESS: As soon as it is received, certainly, Mr. Chairman.

By Hon. Mr. Lawson:

Q. Referring to the last paragraph of the letter from the president of the Canadian Association of Broadcasters in which he says, "For us to appear now to bring our grievances which we think are in process of settlement would not be helpful, and for that reason we ask permission of your committee to withdraw our request for a hearing; does Major Murray agree that to give a résumé of what I was asking for this morning might be harmful to the working out of some price or settlement?"—A. Well, if I might put it in this way; all you are inviting me to do is to give a report on the measure of agreement that was reached?

Q. As to what you have agreed upon?—A. I can see no damage; but I think perhaps it would be damaging if I were to explore the whole field of previous disagreement and complaint, because in any event, however fair I might try to be, any statement which I would give would be necessarily ex parte.

[Mr. W. E. Gladstone Murray.]

Hon. Mr. LAWSON: I am not pressing for it, in view of that. It was merely for information that I wanted it.

Mr. BOUCHARD: Will you have Major Murray here next meeting?

The CHAIRMAN: I understand that we were through with the corporation.

Hon. Mr. LAWSON: Are we to sit Thursday or Friday?

The CHAIRMAN: Thursday morning.

The committee adjourned at 1.15 o'clock p.m. to meet again on Thursday, March 30, 1939, at 11 o'clock a.m.

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SESSION 1939

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SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12.

THURSDAY, MARCH 30, 1939

WITNESSES:

Mr. W. E. Gladstone Murray, General Manager, Canadian Broadcasting Corporation.
Mr. J. F. B. Livesay, General Manager, Canadian Press.

OTTAWA
J. O. PATERNAUDE, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

MINUTES OF PROCEEDINGS

THURSDAY, March 30, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Factor, Hamilton, Héon, Hurtubise, Lawson, MacKenzie (*Neepawa*), MacMillan, Martin, Ross (*Moose Jaw*), Stevens, Thompson, Turgeon, Woods-worth.—17.

In attendance:

Mr. Alan B. Plaunt, Board of Governors, Canadian Broadcasting Corporation;
Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;
Mr. W. O. Findlay, Assistant to Chief Executive, Canadian Broad-casting Corporation; and
Mr. R. C. Keddy, Secretary to the General Manager, Canadian Broad-casting Corporation.

The Chairman read to the Committee a telegram received from Mr. J. F. B. Livesay, General Manager of the Canadian Press, requesting that he be heard by the Committee. Request agreed to.

Mr. J. F. B. Livesay called.

The witness presented to the Committee a submission on the methods of the Canadian Press in gathering and distributing world news and events.

Witness retired.

The Chairman then read telegrams received from Mr. George McCullagh of the Globe and Mail, Toronto, and from Mr. Arthur Slaght, M.P. Discussion followed.

On motion of Mr. Lawson it was unanimously resolved,—

That the request of Mr. George McCullagh to appear before this Committee be granted.

Mr. Gladstone Murray was recalled.

In reply to a request by Mr. Thompson for further information regarding expenditure and salaries of the Canadian Broadcasting Corporation, it was agreed that any member of the Committee who desired information in respect to these matters could obtain such by getting in touch with Mr. Gladstone Murray, the General Manager, as it was not in the general interest of the Corporation to publish such information.

Discussion followed and it was agreed that the clerk be instructed to inform Mr. George McCullagh that the Committee would hear him on Tuesday, April 4th, at 11 a.m.

The Committee then adjourned to meet again to-morrow, Friday, March 31st, at 11 a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

March 30th, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. Arthur Beaubien, presided.

The CHAIRMAN: Gentlemen, will you kindly come to order.

Since our meeting of Tuesday I received a telegram from Toronto which I will read:—

"A. L. Beaubien, M.P.

March 29.

In view of questions about the Canadian Press asked yesterday before your radio committee we would appreciate if the writer be permitted to make a brief statement to the committee at its session tomorrow Thursday stop With kindest regards.

J. F. B. LIVESAY, *General Manager.*"

Is it your pleasure that we should hear Mr. Livesay?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Before we hear Mr. Livesay perhaps I should read another telegram which I received.

Mr. HÉON: Does that refer to the one you received from Mr. McCullagh?

The CHAIRMAN: Yes.

Mr. HÉON: Don't you think we had better wait until after we have heard Mr. Livesay before we go on with that?

The CHAIRMAN: Perhaps we had. If it is the pleasure of the committee we will ask Mr. Livesay to please come forward.

J. F. B. LIVESAY, General Manager, Canadian Press, called:

The WITNESS: Mr. Chairman, thank you very much for the courtesy of permitting us to come here to-day.

We felt, in view of the questions that were asked of Major Murray at your previous meeting about the character of The Canadian Press foreign news service, we would be very glad to be permitted to make a little statement as to exactly what our news service is. I might remind you, Mr. Chairman, that before a similar committee over which you presided, on April 7, 1936, received a delegation from The Canadian Press. At that time we were asking a good deal of your committee so that we could establish a daytime radio news bulletin service on some economical basis, in order to counteract foreign news services that were coming into the country; and we had, I think, the very general sympathy of your committee, and subsequently we worked out the plan that has existed to this day. This is a plan rather apart from the arrangement with the Canadian Broadcasting Corporation, because we make these bulletins free to every commercial radio station in the country that wants them. If they don't want them, well we can't help it. We presented a little memorandum in printed form from which I would like to quote very briefly two things:—

(2) The Canadian Press is concerned in news on the air being as accurate and reliable, as Canadian and British, as it supplies to the daily newspapers of Canada.

And then again, clause (5) of this memorandum:

Believing it is in the national interest that news on the air should be thoroughly Canadian and British in character, and an effective substitute for foreign services, the Canadian Press invites the co-operation of your committee and of the government to that end. As its contribution the Canadian Press offers to prepare free of cost at its head office a service of radio news bulletins for emission at convenient periods by the Canadian Radio Broadcasting Commission and individual broadcasting stations, providing that these news bulletins when put on the air shall be free from advertising and shall not in any way be used with sponsored programs.

Now, that worked out, as I said, through the co-operation of the Canadian Pacific Telegraphs and the Canadian National Telegraphs, who are putting the service out over a network three times a day and are charging a flat rate of \$10 a week for the service to each radio station; a rate that you will recognize as really nominal, because on a word rate it would be immensely higher than that. The two companies pool the total revenue and they divide it. We get nothing.

Now, that part of the system, the daytime radio bulletins going out in this way, will we expect be superseded when shortly in the summer months the CBC gets on the air in a big way and we give to the CBC a much enlarged news service; and if I may be permitted later I would like to say just one word about that.

Now, I would also remind you, gentlemen, that in May, 1936, I had the honour of appearing before this committee in answer to a gentleman—a Mr. Thompson, I think his name was, of Trans-Radio—and through the course of what I now see were much too lengthy remarks on that occasion. I did refer to this very matter of the character of the foreign news service of the Canadian Press. It would have been perhaps sufficient in reply to the question of Mr. Stevens to have just read this statement that was then made; well, naturally, it was not available; and since then there have been developments on our own part in the way of foreign news that makes the picture rather even more British than it was then. With your leave I would like to go into that in a little detail. I know that our good friend Mr. Stevens is anxious to bring this out into the light, because he knows a good deal about the Canadian Press; and on occasion we have been useful to him. I remember we sent a staff man out with him on his fifth party adventure in 1935 at considerable expense; and we regard Mr. Stevens as a very warm friend, and we thank him now for having afforded us the opportunity of perhaps removing some misconceptions.

We have to go back a little. Going back to its foundation, the Canadian Press has a history which goes back thirty-two years. In the earlier years—I have been with it during the entire period—in the earlier years there was a good deal of ground for criticism, when our news service was based on a foreign news service. Before the Canadian Press itself came into existence a group of eastern newspaper publishers established what was known as the Canadian Associated Press. I think it had a dominion charter, and its specific object was to bring over direct cable news from the old country, or London; and the dominion government gave it a subsidy of \$8,000 on the condition that its proprietors should expend at least an equal amount. In 1917 the then existing four independent news agencies in this country merged into one, the Canadian Press Limited, and a grant was made by the dominion government of \$50,000 a year to enable us to distribute news throughout the country by leased wires. When that was done on September 1, 1917, we absorbed the Canadian Associated Press, and we enlarged its functions. That was really the first co-operative step to bring British news from London; but the basis of the Canadian Press foreign news service was

[Mr. J. F. B. Livesay.]

then, is now and must always continue to be the Associated Press of New York. To my mind it is by far the greatest and most efficient news agency in the world, and like ourselves it deals with objective news. The Associated Press, like The Canadian Press, is co-operative. It serves newspaper members of every type of political opinion. It must be fair and unbiased. It abhors the very idea of propaganda, and it is bent on doing an objective job, just as we are. They serve I believe in the United States about 1,800 daily newspapers, and we serve in Canada, well I think 89 out of possibly 100, of whom some are foreign language—I mean to say they are not either English or French.

Now, the Associated Press is trying to do the same sort of a job that we are. The Canadian Press came into existence and was modelled very largely on the same lines as the A.P.; a co-operative news association owned and controlled by the newspapers for the newspapers. Before that came about, and its start was in Winnipeg in 1907, the news in the country was controlled by the railway companies, which was a condition which was of course very unfortunate. The reports of the Associated Press are gathered most efficiently in every quarter of the world. I want to assure you gentlemen that there is no service possible that we could set up as a substitute to the A.P. They cover everywhere, every quarter of the world, but their material is written with the natural and inevitable slant of the American newspaperman; just as our people write news, local or foreign, with an unconscious slant. You can try to be objective, gentlemen; but is mighty hard to be objective, not so much in the writing of news as in the selection of news. For the selection of news was proved during the last war to be the most powerful propaganda of all. Straight propaganda writing fails. It is discovered. It is found out. You have one hundred people watching you—well I have I suppose a good many more. And if we started carrying propaganda in this service of any kind at all we would be jumped on very quickly. We experience that generally in those exciting times, another one of which is rapidly approaching, a dominion election; and we always feel that we have come out of it very well if we have only two or three charges that we have favoured the Liberals, two or three charges that we have been favouring the Conservatives, and so on—it balances up. However, there is that slant.

The A.P. is not designed for us, it is designed for the people of the United States; and yet we too are of the north American continent, and we cannot get away from it, and our economy and social life is all that way; and for that reason the general character of the Associated Press report is more suitable to our mental economy than that of any European news agency at all, I do not care whether it is Reuters, or anybody else. Take one thing; we are certainly more interested in the price of cod in Boston than the price of winkles in Ramsgate. So when people talk of bringing over an entirely British news service, the thing can't be done; we would not want it, it is not applicable.

However, recognizing the fact that there is that United States slant in the reports of the Associated Press, however objective they may be, recognizing that slant we proceeded to put into New York our own editorial staff and we have six Canadian newspapermen there—I think there are now seven—who are very vigilant to cut out any American slant. But, of course, it was not enough to cut that out, we had to fortify it along British lines, thinking indeed more along European lines than along North American lines; we had to put into it a British slant.

Now, the Associated Press has very close alliances with the chief world news services of which in Great Britain there is Reuters, which is a world service—nothing comparable in its coverage to the A.P.—and closely connected with Reuters is the Press Association of Great Britain, which like ourselves is co-operative and which covers, of course, the United Kingdom. The parliamentary reports which we bring here from Westminster are those of the Press Association, the P.A. Then, the Associated Press has alliances with Havas in

France, Domei in Japan; and so on; but other old alliances have gone because of the disappearance of the German Wolff, which had a very honourable history and which for a good many years was known as the Wolff News Agency. Then, in Italy there was Stefani. These have been pretty well superceded by government publicity control.

Hon. Mr. STEVENS: You mean, government control.

Mr. BERTRAND: Absolutely.

The WITNESS: Absolutely, yes; that is the word, the right word.

The Associated Press itself has greatly extended its activities in Europe during the last few years. They found that they could not depend on what used to be called the official agencies which now are really departments of government propaganda.

In London we have our office which has been reorganized since I was last before this honourable committee in the building with the Associated Press, right in the heart of Fleet street; and the Associated Press there has access to Reuters and the Press Association news reports, the Exchange Cable, and so on. It is very interesting that the A.P. now brings all its European news into London. It did that originally, up to the last war, but in more recent years it has been bringing over direct from Paris most of its European news. Now that policy has been reversed because the A.P. own a leased cable, a news cable from London to New York, and as a matter of fact we bring our own news service from London, of which I shall speak in a minute, over that same cable. But the point I want to make is that our staff in London, our large staff—we have now there five men, I think it is—two are from Ottawa, one is from Winnipeg (the superintendent), one is from Saint John and—

Mr. MARTIN: You have one from St. Mary's.

The WITNESS: Oh yes, Sanderson—I was thinking about Ottawa; but they are all born Canadian newspapermen, and they have a big job. They have actual access to the A.P. reports going through to the New York office, and they are available to us. As you know, our staff also does a good deal of reporting itself. Mr. Sanderson recently succeeded Mr. Hamilton, and we feel that he is doing a very excellent job.

That is the set-up as between the Associated Press and ourselves and Reuters and the press association. I cleared away a little of the wood so that we could come to the matter of the Havas agency about which Mr. Stevens is a little apprehensive.

Havas really constitutes a very small part of the total volume of our foreign service. We now lay down in New York, as being more convenient, our total foreign service. Our staff in the office of the Associated Press in New York has access to the complete A.P. reports and also our own filings, on which we spend about \$70,000 a year, direct from London into New York. Recently Havas started laying down a service in New York. By that I mean about six or seven years ago. And they came to us and asked us whether we should like to buy this service. I confess I was very suspicious of it. We have heard stories about Havas and the governmental influence brought on it from France, and so on; and we knew it was engaged in advertising in a big way, too, in France, which perhaps gives it a certain leverage over French newspapers. But we did want to obtain a service for our French language members. We have been building up over the past twenty or thirty years this cable service to a point where we think we have the best cable service in the world, and we think we have given the Canadian public the best cable service in the world because we have three or four major sources from which we draw. But this has cost a lot of money, especially in building up this London service which is of very little use to our French language members. They were very good about it and they came along very cheerfully. They have also the further disability,

[Mr. J. F. B. Livesay.]

that the service is given to them by us in English and they have to translate it. For that reason our board welcomed the opportunity of seeing what use we could make of Havas primarily for the benefit of our French members. It has turned out very well.

The surprising thing, gentlemen, is that the Havas news service has proved extraordinarily valuable to the English language members of the Canadian Press.

We naturally watch it very closely. There are times when Havas will take a chance, a chance that the Associated Press would not take or a chance that the Canadian Press would not take. I could give you a recent example but I do not think I need go into it. But the residuum is good objective news from all over the world, particularly from Europe. The report on Spain was quite up to that of the A.P.; sometimes beat it; it was prompter and covered every angle.

I think Mr. Stevens had in mind that a French viewpoint on European affairs might be a dangerous thing. I have tried to show, and I hope with success, that our viewpoint is British and North American too. I think that a French viewpoint of European affairs, if it is an honest viewpoint, is a very valuable thing to this country. We want to know what Europe is thinking about. If I could get an honest German viewpoint on European affairs I think it would be of tremendous value to us.

Mr. BOUCHARD: Hear, hear.

The WITNESS: And the same can be said of Italy. So in connection with the Havas service I feel that I have not got to defend it. We are proud of it, gentlemen; we think it a wonderful thing, and we want to assure you right now that we consider we have, as I said a moment ago, the finest all-round foreign service in the world because we know our sources and we do not gamble, we do not speculate, we do not take chances—we wait for the Pope to die.

So far as the Canadian Press is concerned, I cannot tell you anything about it; it is right on your doorstep. You all see the reports that we send out of your sessions and you know what we are doing. It is an honest job. If we are doing that on the domestic service, surely you can trust us to do the same thing on the foreign service. Let me tell you, gentlemen, that the Canadian Press is regarded in the British Empire as the model of what a co-operative news association should be. In South Africa, on July 1, last year, they established the South African-Australian press modelled directly on the lines of the Canadian Press. In Australia they are heading that way but they are not getting along very fast. They have internal difficulties very similar to what we had in 1917 before we got that government grant, which was a magnificent stepping-stone for those early years but which, gentlemen, if you offered it to us again on a pole, we would say, "No, thanks."

I should like to say a word or two, if I am not taking up too much of your time, about this draft agreement with the Canadian Broadcasting Corporation. We have been doing this service for nothing for a number of years—five or six years. Not only have we been doing it for nothing, but it has been costing us several thousand dollars a year. That is natural because we have to do a lot of things for the job. Some of our members in rather hard times, with loss of revenue, and so on, are rather annoyed that we should be giving away their news and our news for nothing. They feel that we should be charging for this news which we have been giving for nothing.

We did that, as you heard at the beginning of these remarks, from a sense of national duty. We do think we have a duty to perform in that the news on the air shall be Canadian and not foreign. We are not criticizing any foreign agency working in this country. That is not our job. And when the CBC came to us and said, "Next June or about that time we are going on the

air in a big way and we want you to prepare for us bulletins, not only from your head office but from your regional offices"—Halifax, Montreal, Ottawa, Winnipeg and Vancouver—it meant a big job and it meant a lot more money. We then approached it from the point of view that we thought the CBC should pay us our actual out-of-pocket expenses, plus a reasonable amount for management and contingencies. If we had been setting a figure for the CBC to pay us on the basis of the value of the service, which costs our members over three-quarters of a million dollars a year without taking into consideration the millions of dollars our individual newspapers spend collecting for us their original news, then I would have said, instead of \$20,000 a year, we would have to charge the CBC for a service all over the country something commensurate with, say, our assessment on our members in the city of Toronto—a sum of \$60,000 or \$70,000 a year. I still think that if the CBC came to us, as the BBC has gone to the British news agencies, and said, "You can turn over to us all your news and we will pay you so much," then we would have had a very different proposition and we would have had to consider the question over again. But as long as we can do the job for the CBC, I think it is reasonable that we should fix a price that will cover our out-of-pocket expenses and the odd three or four thousand dollars for management, and so on. I hope this agreement is going to be made, but I am authorized to say that \$20,000 is the figure we have agreed upon and that the Canadian Press will not accept a lower figure, nor does it expect under the life of this agreement to ask for any higher figure. Thank you very much.

The CHAIRMAN: Gentlemen, you have heard Mr. Livesay; are there any questions?

Hon. Mr. STEVENS: I should like to say, Mr. Chairman, that 90 per cent of what Mr. Livesay has said need not have been said as far as I am concerned, because I have never criticized or questioned the efficiency and the high-standing of the C.P., nor do I question the Associated Press or any of the other services. Nor have I criticized Havas. The point I raised and which I still feel has not been disposed of is this: Why should we receive British parliamentary news through Havas? Why can it not be secured by the Canadian Press or by the CBC through a straight British agency? I am not questioning Havas, but Mr. Livesay himself has pointed out that even the Associated Press, which he puts at the top of the list—and I agree—has its colour, that is, American colour. It cannot be avoided; it is human nature. Therefore, my point is that the British parliamentary news—and I will speak in a moment about continental news—would be better interpreted to us through a British news agency. As far as continental news is concerned, while I never questioned and do not now question the excellence of Havas service, and while it is very desirable to have a French interpretation of European continental events, nevertheless I think it is equally important and in my opinion still more important that we should also see or interpret European events through British eyes. That is the only point.

I have noticed, and I have not come here to argue and I did not intend to raise the point in an argumentative way, that on several occasions, at least, British parliamentary news has come through Havas service, which seems to me to be unnecessary, absolutely unnecessary.

I am quite aware that anyone who attacks the Canadian newspapers or the Canadian news service is just inviting for himself almost public annihilation, and I am not doing that. But surely a man is entitled to express his views.

The WITNESS: May I answer that? We are not covering the British parliament through Havas; we are covering it through our own men, as Sanderson is a member of the Westminster press gallery, and through the Press Association reports. It is true that Havas does lay down in New York a certain amount of

[Mr. J. F. B. Livesay.]

London news. Being a world news service they naturally do that. We scrutinize that very carefully. I am glad to hear Mr. Stevens say that he is not criticizing the Havas reports on the continent because I gathered from his question the other day that he was. Mr. Stevens' question was:—

If the Canadian Press receive their continental news through Havas, would it not preferable for the CBC, broadcasting all over Canada to receive also a service that would interpret the continental news through British sources, rather than from French sources?

Well, we have a three-way European coverage, and they balance each other. We have the Associated Press, we have Reuters and we also have Havas. I think between them they do a very good job.

The Associated Press spend a good deal more money than anybody else. It is very wealthy. There was a rather striking example; if you do not mind I will tell you something about the speech yesterday of Mr. Deladier. The A.P. text translation started coming in at a quarter to four yesterday afternoon in "takes" as we call it. I happened to be getting on the train coming to Ottawa and I did not see it until about midnight in our office last night. I looked it up and I came to the conclusion that it was a very bad translation. It had all the ear-marks that one can feel without seeing the actual French text. The idiom was not there, the little nuances were missing and there were some phrases that did not just make sense. It was printed in your two excellent morning papers. Well, I wired New York—I was rather disturbed about it—why they had not used the Havas text. The answer was as I might have expected, that Havas did not put into New York by wireless the French text at all; they put in the English translation officially made by the French government. And of course, it was a very much superior translation to that of the A.P. which was done on the spot roughly. Now, unfortunately, this report started coming in two or three hours after the A.P. With news it is first come first served.

I admit that we often depend on the Havas agency to bring us over the text of a speech in London by Mr. Chamberlain or somebody else, and the reason is this; that we ascertain first that the A.P. is only carrying a summary. We want in this country the text. The text would cost us five cents a word. If we can get Havas to carry that text over their leased wire in Paris and put it out from Paris by wireless into New York, it costs us exactly nothing. As long as it is the same text, I see no harm in that practice.

Hon. Mr. STEVENS: Except that, of course, the Havas would be a French interpretation?

The WITNESS: No, no; the original English text is unchanged. It is exactly the same text.

Mr. BERTRAND: You have a compendium coming from the Associated Press and you have the full text coming from Havas?

The WITNESS: And also our own independent lead coming from London—Sanderson.

The CHAIRMAN: Gentlemen, do you wish to ask Mr. Livesay any further questions? Thank you, Mr. Livesay.

I received two telegrams last night which I think I should read to the committee.

Mr. TURGEON: From whom is this telegram?

The CHAIRMAN: From Mr. McCullagh, Toronto. It reads:—

A. L. BEAUBIEN, M.P.

House of Commons,
Ottawa.

I am astonished that your committee has not sought my evidence concerning the incident which denied me certain rights on both private and public networks of stations. It would appear to me to be fair for an honourable committee of the House of Commons to wish to hear both sides of the case on a matter which involves in my opinion a serious fundamental principle. Mr. Slaght a member of your committee expressed my desire and willingness to appear and I have openly stated in my paper that I wanted to be heard. Inasmuch as you as chairman place the responsibility on me to request the privilege of appearing before the committee please accept this telegram as formal application to appear before your committee and place before you evidence and views which is my opinion will reveal that the broadcasting corporation exceeded their authority and assumed powers which vitally affect the rights of the individual. Inasmuch as there is a serious principle involved I urge you to extend your committees hearings until such time as you can give me the opportunity to present my evidence before you and your committee. This I am willing to do and upon receipt of request from you I will be available to appear before the committee any day next week.

GEORGE McCULLAGH.

Let me make a comment or two. I think the committee will recall this, having this telegram in mind, that at no time was there any request made by any member of the committee for Mr. McCullagh to appear here.

Some Hon. MEMBERS: Hear, hear.

Mr. FACTOR: Mr. Slaght did mention it once.

The CHAIRMAN: I will just read what Mr. Slaght said. Mr. Factor referred to it yesterday, I think. I will read exactly what Mr. Slaght said; this is taken from the report of our first meeting at page VIII:—

Mr. Slaght: Mr. McCullagh indicated to me some time ago, on one occasion when I was in Toronto, that he would like to be afforded the privilege of attending before the committee himself on some appropriate occasion. He did not ask me to convey that to the committee—

Those are Mr. Slaght's exact words. So that at no time has any member made the request that Mr. McCullagh should appear before this committee.

Hon. Mr. STEVENS: Might I just interject: I think that this would be the most suitable point—my understanding was, at that time, that Mr. McCullagh was to come at some subsequent meeting. Then I remember at a later meeting when Mr. Brockington was on the stand the impression was given that the whole matter was now disposed of and Mr. McCullagh did not wish to come. That was the impression given to me at a subsequent meeting. Apparently that was wrong.

The CHAIRMAN: I think your impression can not have been right, Mr. Stevens; because I do not think any member of this committee could have got any other impression. This committee has been sitting here, this is our twelfth meeting. Anybody who wished to be heard I think made his request known to appear before the committee. There is no request from any member of the committee that Mr. McCullagh should appear, and there was no request from Mr. McCullagh himself personally—as regards his newspaper, I never read it.

[Mr. J. F. B. Livesay.]

Mr. BOUCHARD: As members of the committee we are not supposed to read it.

The CHAIRMAN: So Mr. McCullagh must certainly be able to stretch his imagination much further than I am able to stretch mine to get the impression to which he gives expression in this telegram.

Mr. HAMILTON: Mr. Chairman, is it not a fact that this whole matter arises out of what is known as the McCullagh incident? There are no doubt many others who have cause for objection with respect to the way they have been treated by the CBC on talks broadcast over the CBC stations or hook-ups. As far as I am concerned if anyone wants to make any representations I am only too happy to hear them. But I think we are making a mistake if we look on this whole set-up as being for the sole purpose of looking into one thing, the McCullagh incident. In my opinion that is not the whole purpose of this committee.

The CHAIRMAN: I might also refer to a question which affects the privileges of this committee; that is, the heading of the Toronto Globe and Mail of yesterday morning based on the proceedings of Tuesday's meeting. It is entitled, "Committee probably will not call publisher," "Chairman of committee rules against his evidence." Well, if there was any heading that could be more false than this I have never read it in my life, and I am past sixty years of age. If Mr. McCullagh had based his heading on the report as printed in the paper of the proceedings he would never have put that heading there.

Mr. MARTIN: Mr. McCullagh himself might not have put it there.

The CHAIRMAN: I received another telegram from Mr. Slaght which I think I should read to the committee also:—

March 29, 1939.

Read with amazement this morning statement imputed to committee yesterday that Mr. McCullagh would not be permitted to testify Stop I made amply clear first day that he desired so to do and understood from you Monday before leaving Ottawa that you would have the secretary write him Monday suggesting an early date if desired Stop My view is that the committee should undoubtedly not only permit but seek his account of the issue in question as committee was appointed by parliament as result of the incident.

ARTHUR G. SLAGHT.

I think Mr. Slaght is certainly stretching his imagination to the highest possible degree when he accuses this committee of adopting the attitude which he expresses in this telegram.

Mr. TURGEON: Perhaps he read the headings that you just read to us.

Mr. FACTOR: Now that the fire-works are over are we going to call Mr. McCullagh?

Hon. Mr. LAWSON: It does seem to me that no good is to be gained by dealing with imaginations that stretch; let us get down to facts. Mr. McCullagh has now made specific request to the chairman to be heard before this committee; I therefore move that Mr. McCullagh be heard before the committee.

Mr. MARTIN: I would second that.

Mr. DUPUIS: Mr. Chairman, I suppose this committee is not afraid of anybody in this country being heard on a specific question, but I submit that if Mr. McCullagh is allowed to come before this committee then I for one member of this committee have received about thirteen or fourteen requests or complaints against the CBC for certain injustices which certain people claim they have suffered from this radio corporation. If Mr. McCullagh

is allowed to come here I presume—many members of this committee have received similar complaints to those to which I referred—a precedent would be established in this committee in allowing him to come here, and if this precedent is established I claim for all those who wish to appear and be heard the right to appear and present the facts of their complaint to this committee. If this committee is to become a court of complaint I think anyone who thinks he has a just complaint should be afforded an opportunity to appear. I do not know what the decision of the committee will be on this point but I submit my view for appreciation by my colleagues.

Mr. BOUCHARD: There are two grounds, I think, on which we should not accept this motion; first, there are the grounds mentioned by the previous speakers (Mr. Hamilton and Mr. Dupuis); and the second point is this, are we to play into the hands of any member of the committee or of a newspaperman who had full opportunity—at the last meeting it was decided that we should adjourn and that we were through with our proceedings and so on. It was decided. And to-day, because it pleases a certain man to send us a nasty telegram; suffering from a very active imagination on the one hand, and on the other hand does he think that we will follow his caprice and reverse all our policy? Our policy was determined in the light of all the information that we had. Does that mean that we should reverse all our policy now and officially open the door? That should mean, as Mr. Dupuis and others have stated, that if anyone has any complaint to bring before this committee we should invite him and give him the same facilities. Well, it is very funny that on the morrow we should reverse the policy of the eve, because it was decided and accepted by everyone—if Mr. Slaght does not happen to be here that is not our fault. But, are we to be led by only one member of this committee?

Hon. Mr. STEVENS: There is, of course, another viewpoint which I have already intimated; that is, that there probably has been a misunderstanding. Let us forget, for instance, all the squabble—

The CHAIRMAN: Just at that point, I quite agree with you that we as a committee of the House of Commons should not allow Mr. McCullagh to cast reflections on the actions of this committee.

Hon. Mr. STEVENS: I am not associating myself in any way with any reflections on the committee at all. But I do say, let us take a broad view; that there has been misunderstanding, however it happened. When the committee first opened it was expected that Mr. McCullagh would come, and now that he has asked, no matter what the terms of his telegram are, now that he has asked to be heard I certainly support Mr. Lawson's motion that we invite Mr. McCullagh to be heard at a subsequent meeting which will be named by yourself.

Mr. TURGEON: I wish just to say a word on this too. I want to leave no doubt whatever that as regards the controversy between the broadcasting corporation and Mr. McCullagh, after having listened as intently as possible to the evidence submitted here and having read what I did not hear, I am entirely with the broadcasting corporation; in spite of that this question has become somewhat a public issue. Mr. McCullagh now has an association that is either behind him or leading him, the Leadership League; and I think that this committee, considering everything that a committee is supposed to consider in its deliberations, would be wiser far to hear Mr. McCullagh. I am prepared, if it should be thought desirable, I do not think it would be, to administer a rebuke to Mr. McCullagh for the latter part of his telegram. It seems to me that we should forget any inappropriate passages of his telegram, and I think that this committee would be wiser to hear Mr. McCullagh and find out what he has to say about the controversy; see whether he can throw any light on

[Mr. J. F. B. Livesay.]

it—I do not think he can. I am almost prepared right now to reject, and to state that my opinion of the affair will be the same after Mr. McCullagh has spoken as it is now. But considering everything I do think it would be fair and wise to hear him; and with all due respect to Mr. Dupuis I think there is a difference between Mr. McCullagh's position and that of any of the others, because his position has been one of public discussion on a very very wide scale, and a committee of parliament is always interested in any matter that has become a question of public discussion; and I think that we could hear Mr. McCullagh without hurting or lowering the dignity of the committee at all.

Mr. THOMPSON: I agree with Mr. Stevens; no matter what has occurred in the past, or whether we thought that our deliberations were about concluded, we should I think hear Mr. McCullagh.

The CHAIRMAN: Pardon me, Mr. Thompson; I think Mr. Bouchard was under a wrong impression, our deliberations were not concluded; that is, we had not definitely decided so.

An Hon. MEMBER: He made the statement and it was not contradicted.

The CHAIRMAN: I did not want to interrupt Mr. Bouchard, but in view of the fact that the discussion is being continued I thought I should make that clear.

Mr. THOMPSON: I think it will leave a very bad impression on the public if this committee refuses to hear George McCullagh after the publicity that has been given in the newspapers to the whole matter. I think it would be sound judgment on the part of this committee to wire George McCullagh telling him that the committee is prepared to hear him.

Mr. BERTRAND: I for one would hear Mr. McCullagh with great pleasure.

Mr. HAMILTON: When this committee commenced I was hopeful that in our deliberations we would consider the difficult matter which is before us now, and one which will continue to become more difficult, as to the dividing line between what is now I think called sponsored speakers and individuals who wish to purchase radio facilities. The dividing line is very difficult to determine; it is difficult for the CBC and it is difficult for everyone; there are so many angles that come in for consideration. And I think the chairman of the board of governors at least suggested that he would be pleased to have any suggestions or any ideas that might help in solving that problem. I have not yet been able to make up my mind as to whether in fact Mr. McCullagh should have been prevented from going on the air or not, particularly with reference to private stations and privately owned hook-ups; as to whether the same regulations as affect the CBC broadcasts should also apply to the private networks. That is something on which I have an open mind. It is a thing which is very difficult to decide. That is why I said I think what is known as the McCullagh incident is only one of many things that would come in for consideration in trying to arrive at some basis for the future as well as the present, as to where the dividing line is as between a man entitled to go on a radio hook-up and a man who is not entitled to go on. It is a very difficult issue to decide, and I for one would like any light thrown on it that we may be able to get so that this committee might make suggestions that would be beneficial to the CBC in dealing with that problem in future.

Mr. MARTIN: I think Mr. McCullagh should certainly be heard.

Mr. HEON: Although I agree with Mr. Dupuis in principle I think Mr. Thompson's suggestion is the more practical one; I think we would make a mistake if we allowed Mr. McCullagh to pose as a martyr. If he wants to be heard, I think he should be heard. I for one am anxious to see and hear this new Mahatma, John the Baptist, Great Crusader and Billy Sunday, all rolled into one.

Mr. DUPUIS: I just want to correct the way I have been interpreted. My expression is being taken to mean that I am opposed to Mr. McCullagh's being heard. That is not the case. What I said was that if the committee sees fit to extend an invitation to him to appear here then any other citizen in this country who may desire it should also be afforded an opportunity of being heard.

Mr. BOUCHARD: I am prepared to agree with the sentiment of the committee; for the reason that you gave yourself, that we have no definite subject as to our procedure in the future—and also, we must correct the impression that because Mr. McCullagh has appeared before the whole public he should be given special treatment before the committee. There might be a poor man in some of the back concessions with as good and perhaps better ideas, but with more courtesy in applying his ideas at least than has Mr. McCullagh; and I would imagine that he would have the same right to be here if he has something to bring before this committee.

The CHAIRMAN: I think that principle is pretty well established, Mr. Bouchard. Mr. McCullagh has made a formal request to appear before the committee. I do not think this committee should refuse it.

Some Hon. MEMBERS: Question.

Hon. Mr. LAWSON: Well, Mr. Chairman, before you put the question: I had a form handed to me here to fill out:—

Standing Order 67 (1) reads as follows:—

"No witness shall be summoned to attend before any committee of the house unless a certificate shall first have been filed with the chairman of such committee, by some member thereof, stating that the evidence to be obtained from such witness is, in his opinion, material and important."

I have filled out the form and signed my name to it as a means of accomplishing an end. I would like to make it very clear that I do not think that the rule applies in this case at all. The rule is designed to apply when the committee of its own initiative may require the forceable attendance before this committee of some person as a witness. In this case the man spoken of has asked to be heard. He is willing to come here voluntarily. I submit that if the committee decide to hear him that is all that is necessary, and that this form should not be required.

Mr. FACTOR: Our order of reference gives us authority to call witnesses.

Hon. Mr. LAWSON: If we were going to call him on our own initiative I think it would be necessary to have a member sign that form.

The CHAIRMAN: The form which you have there applies when the committee decides to bring a witness before it at the committee's expense.

Hon. Mr. LAWSON: That is the point I make, and it is not needed in this case.

The CHAIRMAN: The point is that Mr. McCullagh has made a request to appear before the committee.

Hon. Mr. LAWSON: That he be heard.

The CHAIRMAN: And that it be left in the hands of the chairman to arrange a date.

Mr. HAMILTON: Before I vote on that I have only this to say, that if any other member of the committee, as has been suggested, has others whom he thinks should come before this committee, should an invitation be sent to such persons I should also be for it.

The CHAIRMAN: I do not think there is anything to preclude that.

Mr. BOUCHARD: With that understanding I welcome his visit.

Motion agreed to.

[Mr. J. F. B. Livesay.]

Mr. DUPUIS: Then he must be a very happy man, it will give him a chance to have free publicity.

Mr. HÉON: Will you get in touch with Mr. McCullagh, Mr. Chairman?

The CHAIRMAN: Yes, after we have decided on our next meeting.

Mr. TURGEON: What room are you going to use for the committee meeting?

The CHAIRMAN: We are going to be on the air.

Hon. Mr. LAWSON: There was something else which I wanted to bring up. You will remember that at our last meeting I raised the question that Mr. Thompson had asked for certain information. He was not in the committee at the time, so I was requesting that further consideration be given to-day to the point raised by him.

Mr. THOMPSON: On two occasions I brought this matter before this committee. I felt that a corporation that was collecting \$1,700,000 in radio licence fees and getting \$400,000 from advertising, and some fees from other sources, should give us a more detailed statement of their expenditures before we could intelligently support or otherwise the present radio licence fee. Now, a resolution was brought in here to leave the radio licence fee at \$2.50 a year. I claim that we did not have sufficient detail to vote intelligently on that question, and that we as a committee should know and have a detailed statement of the employees in the different branches of the corporation, and the salaries and allowances that are given to them. Then we would have some idea as to whether this money was being wisely and judiciously spent, besides taking the word of their own employees. I think that is only a business matter. No business corporation can be run without the corporation knowing what salaries were being paid to their help. Now I ask that the personnel of the radio corporation, and the salaries and allowances given to each of them, be laid before this committee.

Mr. FACTOR: On a point of order: I thought we had already decided the question of the radio licence fee, and if that request is predicated upon the amount of the licence fee I think it is entirely out of order.

Mr. THOMPSON: When that licence fee was proposed I made my objection, and I understood it was left over to be discussed at a later meeting.

Mr. FACTOR: No, I beg your pardon, sir; the committee presented an interim report recommending that the licence fee be \$2.50 in view of the evidence produced to us; and although I was one of those who advocated a reduction in the licence fee I could not very well vote against the motion of retaining the same fee in view of the evidence of Mr. Murray on the operation of the CBC. Now, if we are going into this question again, I submit, in all due respect, that it is entirely out of order.

Hon. Mr. LAWSON: Mr. Chairman, if I may point out, the exact situation was that Mr. Ross in this committee the other day moved a motion that the present scale of radio licence fees be continued for the fiscal year 1939-40. That was the motion, and that only. Some of the rest of us voted against the motion, but nevertheless the motion was carried. That does not say that for all time you precluded in examination as to the expenditures of the CBC; and the only reason, as I understood it, that Mr. Ross moved his motion at that particular time and followed it up by an interim report to the house was because of the necessity of having the matter determined before the new year, 1939-40. Now, this committee is at liberty to consider what the radio licence fee might be ten years from now, if it wanted to; and I submit that Mr. Thompson's request is by no means precluded by the resolution or motion carried before this committee that the scale of fees should be continued for 1939-40. I am not discussing the merits of his motion or request at the moment; I am merely discussing the point of order raised by Mr. Factor.

Mr. BERTRAND: I understand that Mr. Thompson wants a list of the employees with their salaries?

Hon. Mr. LAWSON: The merit of that is something separate and distinct. We are only dealing with the question of order raised by Mr. Factor.

The CHAIRMAN: Did you raise a point of order, Mr. Factor?

Mr. FACTOR: Yes. I just have this to say: The reference which was submitted to our committee was to examine the financial set-up for the year 1938-39; and also the policy and regulations, not confining itself to matters of finance. I say we have no authority now to recommend what the licence fee will be for 1940-41, and having decided, and the licence fee being based upon revenues and disbursements, to re-open the whole thing, I submit, is entirely out of order.

Hon. Mr. STEVENS: Mr. Chairman, there should not be a point of order, because you have nothing before you to rule out of order. Mr. Thompson has made a request for certain information, but there is no motion. Replying to Mr. Factor's argument. The necessity for the fullest possible information is just as great now as it was before the action of our last meeting. All we did at the last meeting was at the request of the minister to express our view, the committee's view, regarding a continuance of the licence fee for the current year, because he had to have that information before the 1st of April in order that he could start his staff to work; and the committee recognizing the emergency, shall I say, saw the necessity of immediate action, took action and agreed. Now Mr. Thompson is asking, and I think it is not an unreasonable request, for some information regarding the expenditures of the CBC in order that we may have a more intelligent understanding as to not only the point of the licence fee, but also the general question of efficiency and the wisdom of the policy of the CBC in connection with its general expenditures. Personally I think the CBC will be well advised to very gladly comply with the request, because after all while the CBC is a corporation and we desire to keep it in that form, nevertheless, we are in the position of shareholders of that corporation—we are the parent of it, we brought it into existence—and just as the salaries, for instance, of the Canadian National Railways—it will be recalled a few sessions ago I think and during several following sessions these were discussed in minute detail, and furthermore a very great deal of valuable assistance was given to the Canadian National Railways as a result of a parliamentary committee meeting and dealing with that particular phase of their operations; and year after year they have submitted to the parliamentary committee voluminous reports of their expenditures and analyses of their different branches of expenditures—operations, overhead, executive and so forth. So we have a definite precedent on the matter. I submit that we are entitled to have that, altogether apart from this motion that was carried at the last meeting for the extension of the licence fee.

Mr. MARTIN: Mr. Chairman, I can stand now as perhaps the only one who is really consistent in this matter—

Hon. Mr. LAWSON: I was coming to that, I would not let him vote alone, I voted with him.

The CHAIRMAN: Against your wish?

Hon. Mr. LAWSON: Oh, no.

Mr. MARTIN: Mr. Thompson who brought this matter up before, I think in his first observation to this committee, said that he was in favour—and opposed me I think very vigorously—he was in favour of a licence fee of \$2.50. Now, he made that statement categorically.

Mr. THOMPSON: I did not make that statement, my hon. friend.

Mr. MARTIN: Well, the record will speak for itself.

[Mr. J. F. B. Livesay.]

Mr. THOMPSON: The record will speak for itself and it will not show that.

Mr. MARTIN: I have a very clear recollection that that is what you said.

Hon. Mr. STEVENS: No.

Mr. MARTIN: That is exactly what he said.

Mr. BERTRAND: There is a way of finding out.

Mr. MARTIN: I personally see one reason why the request should be granted, and I see a great many reasons why it should not be granted. Now, we all believe in the principle of the CBC, and we do not want in the slightest degree to embarrass its operation. I may say that I have been speaking to Mr. Gladstone Murray and getting his point of view on this matter, and I think his view is sound. I think, as the chairman suggested the other day, every member of this committee will be afforded the opportunity of having information of that kind if he goes about it in the proper way; but to insist on having the whole thing made public will serve no purpose other than political interest; and if it is going to antagonize the employees of the CBC, then the question is one that has to be considered very carefully. I suggest that any of us who want this information should get it without exposing unnecessarily to the public view anything which will not assist the morale of the CBC employees and will do no good whatsoever.

Hon. Mr. LAWSON: If we are going to discuss the merits of the situation—

The CHAIRMAN: We will have to dispose of the point of order first.

Hon. Mr. LAWSON: All right.

Hon. Mr. STEVENS: What is the point of order?

The CHAIRMAN: The point of order is that with respect to Mr. Thompson's request—there is nothing before the committee.

Mr. FACTOR: I thought Mr. Thompson made a motion.

Hon. Mr. LAWSON: There is no motion before the committee yet. I was going to suggest, Mr. Chairman, that it occurs to me there is a good deal in what Mr. Martin says, that while every member of a parliamentary committee should have full knowledge, nevertheless anything formally filed here becomes public property, and it is readily understandable that the publication of the detailed list might cause internal dissension in the corporation—

Mr. BOUCHARD: Hear, hear.

Hon. Mr. LAWSON: —among the employees which might lead to a lessening of efficiency of the service. Now, I am thoroughly confident Mr. Thompson has no desire to do that; in fact, he so indicated to me here just a moment ago. I do suggest that there be an understanding that any member of the committee who desires that information will have the same made available to him by the general manager of the corporation. I found last year that I could get almost any information—I should not say "almost"—I could get any information that I wanted by going down to the office of the broadcasting corporation, and I found Major Murray himself anxious to make full disclosure. And I suggest that we might dispose of the matter with that understanding; that Mr. Thompson or any other member of the committee would have available to him at the offices of the Canadian Broadcasting Corporation any information of the kind Mr. Thompson is interested in, that he may want.

Mr. THOMPSON: After hearing the matter discussed I am perfectly willing to agree with Mr. Lawson's suggestion; but I do wish to take issue with my good friend, Mr. Martin. What I said on that occasion was this, that I had no objection to a \$2.50 radio licence fee, but I wanted to know the manner in which it was being expended before I could intelligently support it.

Mr. MARTIN: I accept that. If I was in error I retract.

The CHAIRMAN: Will this be all right then?

Mr. THOMPSON: That will be all right.

The CHAIRMAN: You and Mr. Murray can get together; any other member of the committee can do that also.

Mr. MARTIN: I was confusing Mr. Thompson with Mr. Dupuis.

The CHAIRMAN: Mr. Martin, consistently sometimes has to apologize.

Mr. MARTIN: Quite.

The CHAIRMAN: Now, gentlemen, Mr. Gladstone Murray has many questions that were asked of him. Are you prepared to answer them Mr. Murray?

Mr. MURRAY: Yes, Mr. Chairman.

The CHAIRMAN: We have half an hour. I suggest that we hear Mr. Murray.

W. GLADSTONE MURRAY, General Manager, Canadian Broadcasting Corporation, re-called:

The WITNESS: Mr. Chairman and gentlemen, perhaps you will permit me first of all to thank you very much indeed for your understanding attitude towards the difficult problem of administration. With respect to the point raised by Mr. Thompson, I shall be delighted to make information of that kind available to any member of the committee.

At your last meeting Mr. Stevens asked me to bring forward a memorandum setting out the guiding principles on which administrative actions are taken. These guiding principles and interpretations are communicated in various ways. There are circular letters of instruction, standing orders, and directives, issued as required.

The policies of the CBC may be divided into several categories:—

(1) Those relating to the regulation of the day to day activities of all broadcasting stations in Canada.

(2) Those which are applied by the corporation in its capacity as the network authority.

(3) Those which govern the operation of the CBC stations and CBC basic networks.

(4) Those relating to the internal economy and administration of the corporation's facilities and staff.

These categories necessarily overlap to some extent.

The regulations, belonging to category No. 1, and concerning the day to day activities of all broadcasting stations, are promulgated formally in legally drafted form under the authority of the statute. These have been published in what has been described before the committee as the "green booklet."

It is the desire of the corporation to confine to a minimum the formally promulgated regulations. It has been the view that broadcasting should be conducted with simple rules, as few in number as possible. There has been the further consideration that broadcasting in all countries, and especially in Canada, is a new enterprise without much in the way of established practice and guiding precedents. It should be remembered that the corporation has been in existence less than two and one-half years. When the CBC came into being it decided to proceed slowly and cautiously in the matter of laying down fixed and binding rules of procedure. Indeed the swiftness and complexity of the business make anything in the way of "red tape" undesirable and almost out of the question.

The time may now be approaching when the bases for the conduct of this business, belonging more particularly to the second category of policy decisions—that is decisions affecting the CBC itself, and its associated basic stations

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privately owned, all twenty-seven of them)—have been sufficiently tested in practice to permit of their incorporation in more comprehensive and precise terms, conveniently and more generally available. Indeed the chairman of the board of governors in his evidence has stated that in the past lack of due public notice, with respect to certain policies may have occasioned inconveniences and misunderstanding. Policy, and matters pertaining thereto, are of course, outside the competence of the general manager, whose concern is with the administration and the interpretation of policy. I think I am safe, however, in assuring the committee that the corporation proposes to take particular care to see that its policy decisions, with respect to matters affecting the public generally, are made known more fully and widely than has been done in the past. Nothing could be farther from the desire of the corporation than that its decisions on broad questions of concern to the public should be left in any degree of obscurity.

It is obviously desirable that the regulations in category No. 1 should not be, at any time, unduly increased. It is equally desirable that decisions in category No. 2 should not be made so rigid as to render impossible adaptability to changing conditions. Few things would impair the efficiency and usefulness of radio as quickly as the "freezing" or "straight-jacketing" of procedure by an attempt to define in fixed and final form the whole field of policy. Subject to these considerations, I am sure that carefully thought out improved methods can be devised for promulgating major policy decisions of the corporation which effect large questions of general public concern.

Now, I shall deal with what I shall call the guiding principles of administrative action. I have been asked by Mr. Stevens to outline the guiding principles on which administrative actions are taken. For the purpose of the record, but not to read, I think it is probably in order that I should hand a list of the CBC stations and a list of the twenty-seven privately owned stations concerned to you, Mr. Chairman.

CBC Stations	Location	Frequency	Power
CBJ	Chicoutimi, P.Q.	1,120 kc.	100 watts
CBV	Quebec, P.Q.	950 kc.	1,000 watts
CBF	Montreal, P.Q.	910	50,000 watts
CBM	Montreal, P.Q.	960 kc.	5,000 watts
CBO	Ottawa, Ont.	880 kc.	1,000 watts
CBL	Toronto, Ont.	840 kc.	50,000 watts
CBY	Toronto, Ont.	1,420 kc.	100 watts
CBR	Vancouver, B.C.	1,100 kc.	5,000 watts
 Basic Network Stations			
CJCB	Sydney, N.S.	1,240 kc.	1,000 watts
CHNS	Halifax, N.S.	930 kc.	1,000 watts
CFCY	Charlottetown, P.E.I.	630 kc.	1,000 watts
CKCW	Moncton, N.B.	1,370 kc.	100 watts
CFNB	Fredericton, N.B.	550 kc.	1,000 watts
CHSJ	St. John, N.B.	1,120 kc.	100 watts
CHNC	New Carlisle, P.Q.	610 kc.	1,000 watts
CJBR	Rimouski, P.Q.	1,030 kc.	1,000 watts
CFRC	Kingston, Ont.	1,510 kc.	100 watts
CKLW	Windsor, Ont.	1,030 kc.	5,000 watts
CFCH	North Bay, Ont.	930 kc.	100 watts
CJKL	Kirkland Lake, Ont.	1,310 kc.	100 watts
CKGB	Timmins, Ont.	1,420 kc.	100 watts
CKSO	Sudbury, Ont.	780 kc.	1,000 watts
CKPR	Fort William, Ont.	580 kc.	1,000 watts
CKY	Winnipeg, Man.	910 kc.	15,000 watts
CKX	Brandon, Man.	1,120 kc.	1,000 watts
CKCK	Regina, Sask.	1,010 kc.	1,000 watts
CHAB	Moose Jaw, Sask.	1,200 kc.	250 D-100N watts
CFQC	Saskatoon, Sask.	600 kc.	1,000 watts
CKBI	Prince Albert, Sask.	1,210 kc.	100 watts
CFAC	Calgary, Alta.	930 kc.	1,000 watts
CJCA	Edmonton, Alta.	730 kc.	1,000 watts
CJOC	Lethbridge, Alta.	950 kc.	100 watts
CJAT	Trail, B.C.	910 kc.	1,000 watts
CKOV	Kelowna, B.C.	630 kc.	1,000 watts
CFJC	Kamloops, B.C.	880 kc.	1,000 watts

May I say also that my answer is limited to the CBC's own operations and to the operations of the basic network stations.

This memorandum is not presented as entirely exhaustive or even as encyclopedic, it is, I believe, adequate.

Inasmuch as the printed regulations (the green booklet) apply to all broadcasting stations in Canada, the guiding principles contained therein have to be interpreted in relation to the particular problems of categories of stations, including CBC stations and basic network stations. It follows therefore that some of the information given in this memorandum is necessarily concerned with the particular application and interpretation of the printed regulations.

Stations have been requested to classify each programme recorded in their programme logs as follows:—

- (a) Music—(1) Serious, (2) Popular.
- (b) Talks and dialogue.
- (c) Dramatic.
- (d) Variety (comedy, etc).
- (e) News.
- (f) Special events.
- (g) Religious and devotional.
- (h) Children's program.
- (i) Educational.
- (j) Sport.
- (k) Women's programs.

From this record the corporation compiles statistical analyses and reports.

The responsibility for the application of the printed regulations rests with the basic stations concerned, there being no censorship by the CBC. Scripts of talks, contributions to debates, discussions, and forums are normally retained only for purpose of record after the broadcasts have been given. In the case of CBC stations, it is of course the practice to give advice about radio presentation, timing, and other technical points.

Disclaimer notices are inserted in programs of opinion, including controversial talks, discussions, forums and debates, as well as sponsored political broadcasts.

The following are sample sets of disclaimer notices:—

- (a) Opinions expressed in broadcasts of this kind are necessarily those of the speakers themselves.
- (b) This is for sponsored political broadcasts.

This is the statement for the preliminary continuity. Opening: For the next hour we take you over to the (designation of type of meeting, such as "political" if necessary) meeting in the (studio or auditorium) (city) where (name of speaker) is speaking under the auspices of the (name of political party or society), which has bought the time for this broadcast. It is understood, of course, that similar broadcasting facilities are available under the same conditions for the expression of views differing from those in this broadcast.

This is a statement of the closing continuity. Closing: For the past (time) you have been listening to a (designation) speech in (name of place and city), by (name of speaker), under the auspices of (political party or society), which has bought the time for this broadcast. It is understood, of course, that similar broadcasting facilities are available under the same conditions for the expression of views differing from those in this broadcast.

In programs sponsored by commercial concerns for the purpose of selling products or services, it is not permissible to include commentaries on or interpretations of current events or news.

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Reviewers of books, of painting, of sculpture, of architecture, and of any kindred subjects, are asked to avoid the intrusion of personal opinions in a sense which might be interpreted as going beyond the legitimate frontiers of reviewing.

Except when published, or with the permission of the author, the corporation does not make manuscripts of talks available to a third person.

Abusive comment on any race, religion, or creed is specially prohibited.

Inasmuch as the general manager has specific responsibility for determining the manner and the times approved as appropriate to the medium of broadcasting for talks or discussions upon the subject of venereal disease, special attention is given to interpretation. Considerations involved are good taste, the nature of the audience at the time, the attitude of the public in the area concerned, and the sense of responsibility of those concerned with the proposed broadcast.

The guiding principles of administrative action on the sponsorship of non-party, controversial broadcasts have already been explained in statements published in the newspaper press, in the House of Commons and by Mr. Brockington in great detail to this committee of parliament.

In sponsored programs dealing with sociological or personal problems, there is prohibition of requests for letters submitting such problems and also of any indication that sociological or personal problems will be solved through the medium of correspondence or on the air.

When the political broadcasts are accepted for CBC stations or networks, information is given automatically to the representatives of opposing political parties of the nature of the facilities being granted. This is normal procedure between elections. Effective administrative measures are taken during election campaigns, both to maintain any plan of distribution of facilities as agreed in advance between the political parties concerned and also, in the absence of any such agreement, to apply fair distribution.

No representations on behalf of by-laws or referenda, where the balloting is under municipal, provincial or federal jurisdiction, may be broadcast on the two days immediately preceding, or on the day of balloting.

No spot announcements advertising the times or names of speakers at political meetings are permitted during the two days immediately preceding, or on the day of an election.

I would call your attention particularly to the fact that the two preceding administrative interpretations are the result of experience in the application of sub-sections 3, 4, and 5 of section 22 of the Broadcasting Act, which provides that there are to be no political broadcasts within forty-eight hours of an election, federal, provincial or municipal.

Price mention is an important field of administrative interpretation. It is interpreted not permissible to broadcast discounts, specific comparable values, terms of purchase of the product or service advertised or offers of goods or services.

For an experimental period, still effective, it is permitted to mention the amount of postage for gift offers such as booklets and souvenirs. The descriptive phrase, "to cover cost of postage, mailing and handling," is made a condition of the permission.

For an experimental period, still effective, permission is granted to use such phraseology as "it costs less than a cent a washing," "can be bought for a penny a day," "costs no more than a few cents a day."

It is permitted to broadcast spot announcements on behalf of good causes, for example, charities, during periods in which commercial spot announcements are prohibited on condition that no charge is made for these spot announcements. Spot announcements advertising drugs, proprietary medicines, or patent medicines are not permitted on CBC stations. That is another important interpretation, a guiding principle.

Mr. BERTRAND: That is a rather interesting point, that clause dealing with the advertising of medicine. I have myself heard certain advice with respect to soft liquor, which was said by the advertiser to be better than milk for one.

Mr. MARTIN: What does Mr. Bertrand mean by "soft liquor"?

Mr. BERTRAND: I mean gingerale, Coca Cola—soft drinks generally.

The WITNESS: Continuities for medicines and everything in that category are supposed to be passed on by the federal department of health. I take it that the particular statement to which you refer now would be a matter which should be brought to the attention of the department of health. All advertising matter of that kind is supposed to be controlled in the public interest. We are always interested in having specific cases of the kind you mention brought to our attention.

Spot announcements, limited to two minutes per hour of the actual number of hours of broadcasting, are permitted to be cumulative.

Mr. WOODSWORTH: What is meant by "cumulative"?

The WITNESS: "Cumulative"—they are entitled to have two minutes out of each hour they are on the air, and if they wish to they can put them altogether, but they cannot have more than twenty minutes in any one day if they operate ten hours.

In "participating" programs where continuities are inserted for each sponsor, these are classified as spot announcements and, therefore, the "participating" programs concerned may not be included in the broadcasting period in which spot announcements are prohibited, that is, from 7.30 to 11.00 p.m. local time zone.

In exercising the permissible discretion of interpretation of the use of mechanical reproductions between the hours of 7.30 and 11.00 p.m. local time zone, exceptions in the past have been governed by the following formulae:

(1) Stations located in cities under 25,000 population are permitted to use 1 hour of transcriptions in the restricted period.

(2) Stations located in cities under 100,000 population are permitted to use a half hour of transcriptions in the restricted period.

(3) Stations located in cities over 100,000 population are not permitted to use transcriptions in the restricted period.

(4) Where the transcriptions are in the nature of delayed broadcasts, permission may be granted for their use in the restricted period.

Mr. BERTRAND: What do you call the "restricted period"?

The WITNESS: That is from 7.30 o'clock to 11.00 o'clock local time.

Mr. BERTRAND: P.M.?

The WITNESS: Yes. The idea is that in the main listening periods there should always be a preference given to live talent, and live talent is more likely to be available in the larger centres of population.

Hon. Mr. STEVENS: May I interrupt, Mr. Murray. I certainly did not wish to be responsible for making Mr. Murray read over all these details. What was in my mind, what I was after, what I asked for was what general regulations affecting the public covering private stations, were in existence that controlled the CBC's own operations in regard to their stations on the network.

The WITNESS: This is it.

Hon. Mr. STEVENS: Well, but Mr. Murray, these details which I think are marvellous—I am not detracting at all—I never intended to ask you to go into all these details.

The WITNESS: I am nearly finished. Might I finish?

Hon. Mr. STEVENS: Sure, but I wanted to make that clear.

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The WITNESS: I would just like to observe that these transcription restrictions are not to be regarded as altogether satisfactory. The conditions under which they were originally drafted are no longer applicable, but the regulations stand until such time as we can consult all the interests concerned for revision.

Mr. BERTRAND: In cities like Montreal and Quebec or Toronto I do not think there should be any transcription at all, because we have quite a number of artists in those centres who are unemployed.

The CHAIRMAN: Yes.

The WITNESS: Except with special permission, there is no solicitation, directly or indirectly, for letters of appreciation.

No officers or employees of the CBC shall hold public elective office, or be a candidate for any public elective office, or support a candidate for any such office by speech or writing.

I shall not read you the particulars and the guiding principles of the broadcast activities we will be carrying out in connection with the royal tour, but I think it might be of interest to you to have them placed on the record.

Broadcasting activities in connection with the Royal Tour present problems requiring administrative study, and action in defining guiding principles. These guides addressed to radio stations, CBC staff, advertisers and advertising agencies are as follows:—

1. The Canadian Broadcasting Corporation has been charged with full responsibility for *all* broadcasting, and its supervision, in connection with the Royal Visit.

2. All national network broadcasts in connection with the Royal Visit will be made available to all stations reasonably accessible by wire line facilities.

3. Royal Visit network broadcasts are optional to supplementary stations. Supplementary stations shall notify the CBC Station Relations Department, Toronto, of those programs they intend to carry. A schedule of Royal Visit Network programs will be mailed to stations as soon as available.

4. It will not be permissible for stations to fade into or withdraw from Royal Visit broadcasts while the program is in progress. The broadcasts must be carried in full.

5. No comment in respect to Their Majesties or the Royal Party shall be broadcast prior to or following a network broadcast of the Royal Visit.

6. Commercial sponsorship of commentaries, factual descriptions, or activities in connection with the Royal Visit, is not permissible. This ruling shall not preclude the broadcasting of news on any regular news broadcast.

7. It will not be permissible to extend greetings to Their Majesties or the Royal Party, or otherwise refer to Their Majesties in sponsored programs or spot announcements.

8. The fifteen minute periods preceding and following broadcasts during which either of Their Majesties speaks before the microphone shall be free from commercial or other sponsorship.

9. Advance arrangements for descriptive broadcasts of any and all Royal Visit activities by local stations, on the occasion of the Royal Visit to the city in which such stations are located, are subject to the Corporation's advance approval.

The guiding principles of administrative action in dealing with controversy require a characteristic method of approach which is perhaps best defined in terms of an example. If we are to apply that measure of tradition and that

degree of orderliness which we have been able so far to establish, we must contrive a pattern consistent with the basic characteristics of no censorship, understandable balance, and flexibility. There are also general programme considerations. One of these is the result of the fact that we are now at about the saturation point in the proportion of talks to other programme ingredients. Accordingly the problem becomes increasingly one of production, quality and substitution, rather than extension, and this applies particularly to talks.

Now it is not enough to have a well-balanced theoretical foundation in presenting controversy. The balance must be understandable to the public. Moreover, the protagonists should be reasonably well matched. Attempts should be made to reach the same public throughout. This is the chief reason for juxtaposition when possible. For example, on a recent Sunday in the national forum two points of view were put on the problem of appeals to the Privy Council. The participants were F. C. Cronlite, K.C., and Jas. McGregor Stewart, K.C. The benefit of juxtaposition in this case is obvious. Unless the first speaker loses his audience, listeners will get both points of view; but the delayed series form cannot be denied. Juxtaposition imposes undue limitation and perhaps tends to tire the audience. On the other hand, the series imposes special responsibilities. For one thing it is proverbially easier to attack than to defend. The protection of the right of reply is a necessary safeguard.

It is important to evolve an array of points of view without reference to personalities. Take one concrete example of a method of approach. In terms of practice, the main line of cleavage of opinion on national problems is between those who would preserve and adjust the "status quo" and those who would achieve progress by reforming both the basis and the procedure. From this broad consideration, a balanced division is planned, but first in terms of ideas rather than in terms of personalities.

Now, I am getting into dangerous ground; I am going to invite your attention to a problem of a defined nature. I am going to ask you to consider this merely as an example. It is predicated on an idea which as a matter of fact happens to be under consideration at the present time. Lots of people are ready and anxious to broadcast their views on "how to build a new Canada". In the past few months I have had about fifteen applications representing a dozen or more schools of thought, all of them anxious to broadcast a series of talks ranging from fifteen minutes to half an hour in length advancing their particular solutions to our national problems. Whatever our method of approach to this problem may be, we must consider it with due regard for the "status quo". We might consider a treatment of the subject from these points of view: (a) The doctrine that, in fact, a new Canada is now being built; that the established basis of society is the right one on which to build; and, in particular, that the policies and procedure of the present federal administration are building a new Canada as rapidly and as efficiently as circumstances permit,—orthodox federal Liberal or present government view.

(b) Or, you might consider it from the angle that the present basis of society is sound, but that the policy and procedure of the existing administration are defective—the orthodox Conservative opposition view.

(c) Then, after analysing the various applications that have been made, you might come to realize that there is another body of opinion which considers that the present basis of society is sound, but that political policies and procedure have failed and should be replaced by policies and procedure acceptable to big business; that is, in practical terms, National government, railway unification, elimination of provinces, and so on, and that they should be replaced by principles of operation usually associated with big business.

Then, after all those views of the problem have been considered you might perhaps have a desire for an expression of reform principles such as embodied in the socialist view modified to Canadian needs—for instance as one finds them expressed in the C.C.F. Then you might have a group interested in monetary reform who would advance the “New Democracy”; then you might have an agrarian solution and an emotional solution, that is, religious, and other distinctive views.

Now, I do not suggest that this is complete, but I mention it as a method of approach in interpreting the policy that is laid down in dealing with the matter of controversy. Now, is it a comprehensive pattern? I do not think that it is. But the important thing in it all is that we should give listeners a fair and competent conspectus of authoritative and worthwhile opinion and save them from the bewilderment of a confused Babel of voices. General satisfaction is, of course, impossible. The best that can be hoped for is a balanced spread of healthy dissatisfaction; and—I would call particular attention to this observation,—that the unqualified approbation of the extremist is a sure sign of danger.

I am reminded of an experience I had with a BBC series in Great Britain, with respect to which the *Morning Post*, representing the extreme right, and the *Daily Herald* representing the opposite in political opinion carried letters, on the one hand commenting on the Communistic tendency of the series, and on the other hand, on its ultra-Conservatism; and that appeared to be a collateral justification of soundness.

And now, I have tried in this memorandum to provide explanatory comments on the guiding principles of administrative action, but I feel somehow I have not answered the question that Mr. Stevens had in mind. Might I ask, therefore, that I be given some supplementary questions to which I could bring answers at the next meeting.

Hon. Mr. STEVENS: I am afraid I failed to make myself clear. Just let me say that I want to compliment Mr. Murray on the excellency of this outline; I think it is extremely interesting and very, very well done, showing as it does the comprehensive magnitude and difficulty of his task; so that from that point of view I want Mr. Murray to realize I am more than satisfied.

The only point, Mr. Murray, that I had in mind, and I am not desirous of labouring it, is this: That there must be as referred to so frequently by Mr. Brockington in his evidence, there must be certain broad principles governing the CBC management which are laid down in the form of minutes or rulings by the board of governors. Now, all I wanted to make clear was the minutes of these rulings. In other words, you have there definite regulations that deal with private stations. You have some of them in printed form. There must surely be something comparable to that, although it may not be in the same form, that governs the management of the CBC. That was all. So that the public might know, for instance—I do not like to bring you or the committee back to this McCullagh incident—it seems to me there should have been some rule that could have been interpreted there by Mr. McCullagh, so that there would have been no question arise as to the right of the corporation to deny him the broadcast. We ought to know—the public ought to know—anyone ought to know what his rights are. Of course, I think these details are excellent, but one has the right to know by what he is governed.

The WITNESS: Perhaps, I can give you now the information on the particular incident involved. There was a passing reference in the memorandum I read. I thought that perhaps Mr. Brockington had covered that to your complete satisfaction, but I can give you precisely the interpretation on the regulations on the McCullagh incident.

Mr. BERTRAND: You gave us all the regulations; that was in your evidence?

The WITNESS: All the material ones.

Mr. BERTRAND: If you gave us all of them surely you gave the principal ones.

Hon. Mr. STEVENS: There were no regulations governing the CBC.

The WITNESS: Here is the remaining relevant item referred to already. Sponsorship of non-party controversial broadcasts:—

1. No individual may purchase any network to broadcast his own opinions;
2. No profit-making corporation may purchase any network to broadcast opinions;
3. Properly constituted societies may purchase network time subject to the following conditions:—
 - (a) That the society accepts the responsibility for the broadcast, indemnifying the CBC against the possible consequences of libel or slander;
 - (b) that each broadcast is prefaced and concluded by an appropriate announcement making clear the nature and auspices of the broadcast and indicating that equivalent facilities are available to opposing views on the same basis;
 - (c) that there is no interference with normal CBC program arrangements;
 - (d) that the broadcast is of sufficient popular appeal and interest to justify its inclusion;
 - (e) that the broadcast is within the wording and spirit of our regulations and not in violation of any law.

The above rulings apply also to individual CBC stations but not to individual privately owned stations.

Hon. Mr. STEVENS: That appears where?

The WITNESS: That is in parliamentary records. It appeared in a speech made by the Minister of Transport in explanation of the decision.

Hon. Mr. STEVENS: I mean, in your records, where? Is it in the minutes of the committee, or where is it?

The WITNESS: It is part of my standing instructions.

Hon. Mr. STEVENS: Yes. Well now, that is all right, quite good. Now, are there any other standing instructions?

The WITNESS: All that I have read this morning are in the category of standing instructions.

Hon. Mr. STEVENS: These of course are the details.

The WITNESS: There is perhaps another one here. No, this is a repetition.

Hon. Mr. STEVENS: Yes?

Mr. HAMILTON: Might I ask this: If I recall what Mr. Brockington said, there was no definite regulation as such applying to a private network of stations, having reference to the McCullagh affair; but that it was a natural application of a policy to a private network, although it was not in the form of a regulation.

The WITNESS: I think this thing has been very carefully explained; but the situation as I was presented with it was this—that network and hook-up policy has been laid down; it was presumed that the intention of parliament was that all hook-ups were a responsibility of the CBC. Thus these regulations were meant to apply to all hook-ups. There is no question, apparently, either at the time or subsequently, about the propriety of applying these regulations to the CBC network. Then there came an application for a private hook-up. There was not a specific direction of the board of governors in that particular

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matter, but there were two considerations that I had to face: (a) that network and hook-up operation was an entity; therefore, there was no distinction so far as an application for this service was concerned. (b) I had received specific direction, for reasons which have been fully explained to you by the chairman, to discourage for the time being the gradual development of the private hook-ups until such time as an orderly policy could be developed; and I had, therefore, to discourage, on the one hand, and, on the other hand, I thought it my duty, and I thought I was interpreting not only the intention of parliament but the policy of the corporation, to apply to the privately owned hook-ups the same regulations as were applied to the CBC networks. And that attitude, subsequently, as you have heard here, was approved by the board of governors with two dissentients.

Hon. Mr. STEVENS: But there was no existing regulation to guide you in that particular instance?

The WITNESS: I presumed there was. I may have been wrong but at least I survived the post mortem. I took it that the general policy of the board with regard to hook-ups covered that, and that that was equivalent to a direction.

Hon. Mr. STEVENS: There was no way, for instance, that I could have known that?

The WITNESS: No, it was not known to the public; that is true.

Hon. Mr. STEVENS: That is the basis of my whole position; that there should be available to those who want to use networks or stations a set of broad general regulations that will enable them to understand their rights.

Mr. MARTIN: That is right.

The WITNESS: Yes.

Hon. Mr. STEVENS: So that the question of your ruling on my rights would not arise.

The WITNESS: Yes.

Hon. Mr. STEVENS: I wanted it understood, Mr. Chairman, that I am not saying this in a critical sense at all, but I am thinking of future incidents that may arise.

Mr. WOODSWORTH: Surely, future incidents may come up for which there is not up to that time a precedent.

Mr. HAMILTON: If I may just add this: There is always this, and it is well recognized that any regulation of any description eventually becomes a matter of interpretation and application to different sets of circumstances. As I have listened to an exposition of these regulations I have heard repeatedly the term "society". You have all kinds of societies; but where do they begin and where do they end; and what is a sponsor; and what is this, that, and the other thing? The minute you use a word or a phrase it becomes a matter of interpretation continually, and even if regulations are laid down it does not necessarily follow that even if the public have them in front of them they would not still need interpretation by some one who is competent to interpret them.

Mr. MARTIN: I think Mr. Stevens does not disagree with that. I think he has tried to be helpful.

Hon. Mr. STEVENS: For instance, I now know that I as a private citizen cannot secure a network in Canada to express my views.

The WITNESS: You cannot buy it but I can invite you without cost to you.

Hon. Mr. STEVENS: I am speaking about my rights irrespective of what you might through courtesy do. We now know that; but I confess to you, Mr. Murray, that I think a great many were under the impression that it was part of their right.

The WITNESS: I entirely agree that there should be a much better understanding of these regulations. I think we have got caught up by the progress of the work in this rapidly growing machine and we have neglected the public information side.

Hon. Mr. STEVENS: I want to thank Major Murray.

By Mr. Woodsworth:

Q. On that point, is it possible for anyone to evade your general regulations by organizing a special sort of committee under which he can then appear?—A. I should have added that these regulations, although they are being applied now, are not regarded as satisfactory either by the board of governors or by myself. It is not enough to say that we require a society. After all, what is a society? I have had that to deal with on several occasions in the past few weeks. We say it means a properly organized society. But what is the basis of a properly organized society? It is not a satisfactory criterion. But we are feeling our way towards something better and it was the only thing that could be thought of for the moment; and it was not created for the purpose of frustrating any particular individual. It was all planned long ago. But I should be most grateful, and I am sure in this that I am expressing the wishes of Mr. Brockington, if before this committee completes its deliberations, you can give us something better as a basis, some better formula than simply "society".

The CHAIRMAN: Gentlemen, it is after 1 o'clock. What is your wish in regard to the next meeting? Have you any further questions you wish to ask Mr. Murray?

Hon. Mr. STEVENS: Not now.

The WITNESS: I have some other answers.

Hon. Mr. STEVENS: Then we shall have to have another meeting.

Mr. MARTIN: Why not go on to-morrow with Mr. Murray?

The CHAIRMAN: We shall finish with Mr. Murray to-morrow. Will that be satisfactory?

Mr. MARTIN: Yes.

The CHAIRMAN: Shall we invite Mr. McCullagh to come? We are adjourning Wednesday night.

Mr. MARTIN: We are adjourning Thursday night.

Hon. Mr. STEVENS: Make it Tuesday, Mr. Chairman.

The CHAIRMAN: Shall I instruct the clerk to invite Mr. McCullagh for Tuesday?

Mr. BOUCHARD: Not invite; accept his request.

The CHAIRMAN: To accept his request?

Hon. Mr. STEVENS: To accede to his request.

The CHAIRMAN: Yes, to accede to his request. Is that satisfactory to everyone? Then we shall stand adjourned until to-morrow morning at 11 o'clock.

(At 1.10 p.m. the committee adjourned to meet again at 11 a.m. Friday, March 31, 1939.)

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Canada Radio Broadcasting, Special
Committee

SESSION 1939

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13

FRIDAY, MARCH 31, 1939



WITNESS:

Mr. W. E. Gladstone Murray, General Manager, Canadian Broadcasting Corporation.

OTTAWA

J. O. PATENAUME, I.S.O.

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

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MINUTES OF PROCEEDINGS

FRIDAY, March 31, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m.
The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Factor, Hamilton, Héon, Howe, Hurtubise, Isnor, MacKenzie (*Neepawa*), MacMillan, Martin, Patterson, Ross (*Moose Jaw*), Turgeon, Woodsworth—17.

In attendance:

Mr. Alan B. Plaunt, Board of Governors, Canadian Broadcasting Corporation;
Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;
Mr. W. O. Findlay, Assistant to Chief Executive, Canadian Broadcasting Corporation;
Mr. R. C. Keddy, Secretary to the General Manager, Canadian Broadcasting Corporation; and
Mr. T. T. Odell, Executive Office, Canadian Broadcasting Corporation.

Mr. Gladstone Murray recalled.

The witness presented prepared answers to the questions asked by the following members of the Committee: Mr. Lawson, Mr. Dupuis, Mr. Bouchard and Mr. Patterson. He then resumed his submission to the Committee on the work of the Canadian Broadcasting Corporation.

Discussion followed, and it was unanimously agreed that in view of the urgency of Canada's need of a high-powered short-wave station that the Chairman, together with a representative number of the Committee should interview the Minister of Transport, Hon. C. D. Howe, to see if immediate action could be taken in regard to the recommendation made to the House by the Committee in its report of last year, as further delay might mean the loss of some of the channels allocated to Canada.

The Chairman on behalf of the Committee, thanked Mr. Gladstone Murray for his able and valuable presentation to the Committee of the work of the Canadian Broadcasting Corporation and recorded its appreciation of his efforts for the improvement of broadcasting in Canada.

Mr. Murray in a brief reply thanked the Committee for the consideration they had shown him, and through him to the staff of the Canadian Broadcasting Corporation.

The witness retired.

The Committee then adjourned to meet again on Tuesday, April 4, at 11 o'clock, a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

March 31, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. Arthur Beaubien, presided.

The CHAIRMAN: Will you kindly come to order, gentlemen. I think at our meeting yesterday it was decided that we would try to get through with Mr. Gladstone Murray and have his replies to all the questions which have been presented to him. Is it your pleasure that we should hear Mr. Murray?

W. GLADSTONE MURRAY, General Manager, Canadian Broadcasting Corporation, re-called:

The WITNESS: Mr. Chairman, before proceeding with the questions perhaps you would permit me to make an addition just in the form of a note to the program information already provided. This is an example, perhaps the most striking example, of the recognition of our programs outside of Canada. On Sunday, May 7, we are arranging for a two hour broadcast from 3 to 5 p.m. E.D.S.T. of the Bach B minor mass performed by the Mendelssohn choir and Toronto symphony orchestra, directed by Dr. H. A. Fricke. This will be carried on our national network and also on the complete national network of the Columbia Broadcasting System. It is noteworthy that it is in the same period occupied by the New York Philharmonic orchestra and it takes place on the first Sunday after the conclusion of that symphonic series. There is also the prospect of a relay in Great Britain and throughout the British Empire, and it is possible that it will have that coverage as well.

Now, for the questions that are outstanding. First of all there are two questions from Mr. Lawson. Mr. Chairman, would you like me to proceed with these in the absence of Mr. Lawson?

The CHAIRMAN: I think so.

The WITNESS: I agreed with Mr. Lawson first of all to produce a note on the Montreal meeting explanatory of the statement that was issued afterwards and indicating perhaps something more of the atmosphere of the meeting than has been possible hitherto; I mean the meeting of the board of governors of the Canadian Broadcasting Corporation and the representatives of the Canadian Association of Broadcasters and the subsidiary Association of Private Stations in the province of Quebec. I may say that there were perhaps more than sixty privately owned stations represented, either collectively or individually.

The committee has already had evidence, in the letters received from the Canadian Association of Broadcasters and the Association of Private Stations in the province of Quebec, that progress was made in the exchange of views at Montreal. As indicated in the letters, the various proposals have yet to be worked out in consultation. Meanwhile, however, it is appropriate to state some of the principles governing the approach to agreement.

First of all, CBC control of all network and hookup operations is accepted.

Secondly, the basic principle, on which the extension of auxiliary hook-up facilities is to be discussed, is the provision of more programs and better contrasted programs for listeners generally. It follows from this that there must

emerge in practice a planned pattern of auxiliary hook-ups in which the profit motive is not the dominant or sole consideration. The application of these and kindred principles of action is necessarily complicated. Problems, highly technical as well as intricate financially, have to be explored. This process has already begun and until its completion no useful purpose can be served by attempting precision in forecasting.

With regard to the broadcasting of beer and wine, the relevant regulation has been amended as follows:—

That regulation 11 be amended with effect from 1st April, 1939, by replacing paragraph (f) in sub-section (1) and sub-section (2) by the following:—

(f) wine and beer except that programs sponsored by breweries or wine companies will be temporarily allowed in the province of Quebec subject to the following conditions:—

1. The only announcements of sponsorship allowed shall be two in number—one at the beginning of each program and one at the end.

2. The form of such announcements shall be:—

This program is presented with the compliments of the ABC brewery.

This program has been presented with the compliments of the ABC brewery.

or some suitable and necessary variation of these forms.

3. No other announcements shall be made or devices used in any such program to advertise the product of the sponsor.

4. All continuities and programs shall be approved by the general manager before they are broadcast.

I would like to add by way of comment that since the promulgation of this new policy representations have been made to me about certain inequalities of operation. For example, it was pointed out that one of the competing brewery concerns had already in practice adopted a policy which is exactly the same as is required by this new ruling, and it was suggested that perhaps through fortuitous circumstances the new regulation might operate unjustly. This is being taken into account and, so far as possible in interpretation without changing policy, I shall meet the wishes of those concerned. But the policy must stand until it is reviewed by the board of governors at its next meeting.

The existing regulation about price mention is retained, as is the regulation of the prohibited period for mechanical transcriptions. It should be noted, however, that the latter regulation is to be the subject of further discussion between the various parties interested.

Facsimile and television are reserved to the public domain.

I would like to make these additional observations, because I think they are of special importance.

The atmosphere was that of unqualified cordiality. Points of doubt and misgiving were cleared up.

On the one hand there was admission of the position and public responsibilities of the CBC; on the other hand there was admission of the place of private ownership in the pattern of Canadian broadcasting and a recognition of its legitimate desire for that measure of security and elbow-room which is consistent with a fair interpretation of the public interest.

I am most hopeful for the future. The first step forward in implementing the new agreement would have been taken already had it not been for the pre-occupation with the work of this committee.

[Mr. W. E. Gladstone Murray.]

The second question from Mr. Lawson had to do with a statement which appeared in a Toronto newspaper entitled *The "Mirror."*

There has already been reference to this editorial by members of the committee, in particular to the first part of it entitled, "Broadcasting to the Fish." This part of the editorial is very rightly resented by members of the committee who come from the maritime provinces. The article is ill-considered and untruthful and reveals the blemishes common to futile propaganda.

The same characteristics apply to the rest of the editorial and I shall not take up the time of the committee to deal with it in detail, except in the one matter which has been brought to my attention by Mr. Lawson. Under the title, "The CBC staff—What do they do?" the "Mirror" suggests that we are an overgrown, futile, and largely idle bureaucracy. Having referred briefly and unfairly to my statements before the committee on various alternatives which would have to be applied to conduct this business with \$600,000 less revenue than at present, the "Mirror" goes on as follows: These are the paragraphs which have been specially marked for my attention by Mr. Lawson:—

But Mr. Murray forgot to mention how many people he had on the staff or what they did for their wages which the public is paying. He forgot to mention, for instance, that there are 65 employees at radio station CBL on Davenport road, Toronto. He forgot to explain why it took 65 employees to look after one large station and a small one, CBY, which duplicates a great portion of CBL programs. Probably he was afraid that someone would draw to the committee's attention that CFRB—a station which compares very favourably with CBL—was able to gain and hold a following with a staff of only 27. No wonder Leonard W. Brockington, K.C., chairman of the CBC board of governors, objected to the profits of the private stations. The comparison between the efficiency of the private stations to that of the CBC must be rather embarrassing to CBC board of governors.

But in case either Mr. Brockington or Major Murray should come back with the rejoinder that most of the 65 employees at present situated in the CBL station on Davenport road are actually working on network programs of the CBC, it is to be hoped that they will explain to a bewildered public just what the 27 employees in the Hayter street office in Toronto do, and if they can explain that, they might go further and give the rhyme and reason of the 40 employees at the Church street office. Just think,—more than 130 employees in Toronto alone, not to mention the head office in Ottawa, the district offices in Montreal and key cities across Canada. No wonder it costs so much to finance the government radio system.

After declaring "that the real reason for this waste of public money is the present inefficient management of the government's radio system" the *Mirror* graciously offers an opportunity to Mr. Brockington and me "to test out sincerity" by placing our case before the Toronto public in their next issue. I pass over the curious conception of fair play in journalistic practice that condemns the accused before he is heard—condemns him on what is indistinguishable from a malicious perversion of the truth.

For the moment, I address myself to this one aspect which Mr. Lawson would like elaborated. How is it that we have 68 employees at CBL, 28 employees at Hayter street, and 38 employees at Church street, or a total of about 134 employees in Toronto alone while the privately owned station CFRB in Toronto has a staff of only 27. The *Mirror* obviously would have its readers believe that there is a valid basis of comparison. It would suggest that the scale of operations and the responsibilities of CFRB are much the same as the scale

of operations and the responsibilities entrusted to all departments of our staff who happen to be stationed in Toronto. I think I can safely leave the facts to speak for themselves.

First of all, there are the studios in Davenport road. This is, at the same time, one of the two main production centres for Canada (the other being at Montreal), and the regional headquarters for Ontario, CBL being the 50,000 Watt transmitter for that region. CBY is the local supplementary 100 watt transmitter for Toronto. The program operations are centralized in Davenport road. The total staff at present employed for CBL and CBY is 68. CBL operates 16 hours daily, and CBY, 12.

Six different networks are routed through these studios. These are as follows: CBC; BBC; NBC red; NBC blue; CBS; and MBS. These studios originate an average of 130 programs a week not including recordings. An average of 150 artists and musicians a week are engaged at these studios.

To sum up, there is a total of 7 producers and assistants to deal with 130 programs and 150 artists a week. Each of these 130 programs must be rehearsed and supervised until it is acceptable. There is one continuity writer and one script writer for all these programs. Eleven engineers are needed to monitor these 130 programs every week, in addition to the general engineering supervision.

There is a total of 7 announcers to announce, not only 130 originations in a week, but also the recorded program, and station call letters which must be given between all programs carried in Canada. These seven announcers have to spread their duties over two stations, one operating 16 hours a day, the other 12 hours a day, 7 days a week, or a total of 196 hours of programs a week.

And now to come to the offices at Hayter street, which, mark you, are described, by inference, in the attack under review, to be simply part of the operations of one station, such as CFRB. What is at Hayter street? It is the national headquarters for our commercial operations covering both the national and subsidiary CBC networks in Canada, with a staff of fifteen, there is a turnover of approximately half a million dollars. It is concerned with most of the negotiations with advertisers and advertising agents. Also at Hayter street are the stations relations department with a staff of eight and the publicity department, five. The stations relations department deals with all matters affecting privately owned stations on CBC networks, as well as statistics. The publicity department assembles and distributes all publicity for national network programs.

And what have we got at Church street? A staff of 38. This is the national program headquarters for Canada. Here are housed the staff which supervise all network programs for Canada, except those in the province of Quebec. This includes the general program supervisor and his deputy and the following sub-departments:—exchange programs, drama and production, special events and actualities, talks and discussions, religious programs, audience mail, and coach to announcers. Also, at Church street is the national network traffic office, the duties of which include the complicated and important job of setting up and clearing with the wire line companies all the necessary wire lines for national and subsidiary networks, duplicate lines, special loops, etc. Traffic arrangements for modern network broadcasting have to be highly organized, and not a day goes by without many re-arrangements of existing networks and provision of additional facilities almost from hour to hour.

I believe I have already mentioned that the total number of the staff of the NBC is 2,260 with a task relatively far less heavy than the handling of broadcasting in this half of the continent of north America. Columbia Broadcasting System has a staff of 1,617. The BBC, 4,060. The staff of the CBC throughout Canada including all ranks numbers 437.

[Mr. W. E. Gladstone Murray.]

The foregoing is a brief picture of the nature of our operations in Toronto. All this is brushed lightly aside by this zealous journalistic upholder of the public interest. And what is it all compared with? Station CFRB with a staff, which it is stated, consists of 27 employees.

Now, I make no criticism of the operations or the conduct of CFRB. For years it has done a good job for broadcasting in Ontario and it continues to do so. Our relations, both official and personal, are cordial. I am glad to say that I number among my personal friends Mr. Harry Sedgwick, the managing director of this station, and for him and his enterprising staff, I have nothing but admiration. They do a good job, but they would be the last to compare the scope of their activities or their responsibilities with what we have to undertake in the various departments that are situated in Toronto. CFRB is a privately owned commercial station. It does not disregard its public responsibilities, but it is in business to make a profit. Therefore, it carries as many commercial programs as it can suitably include in its schedules. Moreover, while not neglecting local talent, it naturally carries a much larger proportion of transcriptions than a corresponding publicly owned station would carry. Its field is local and regional. In that field it broadcasts many programs that are appreciated. By virtue of the fact that it is an outlet of the Columbia Broadcasting System, it has access to some of the best programs of the United States. But it is a self-contained, relatively local organization, whereas most of our work in Toronto concerns the whole of Canada and is necessarily on a much larger scale.

I would like to take this chance once and for all to pin the line about overstaffing, incompetence and idleness. The truth is that we are seriously understaffed. The growth of operations and the raising of standards have outstripped the development of staff. At the regional production centre in Davenport road as at other offices and production centres, people work twelve hours a day. Producers often begin at 8.30 or 9.00 and do not get away until midnight. In other comparable broadcasting organizations a producer would consider himself or herself overworked to have to handle more than two or three shows a month. In our case, each producer has as many as a dozen jobs a week, rehearsals and all.

The real ground of criticism is over-strain. Nervous breakdowns are occurring. I am concerned about the situation and my first task after the royal tour will be to take what measures are possible to relieve the strain. Except for the fact that the labour is not enforced with the whip, our conditions are not unlike slavery; certainly they resemble a perpetual emergency.

In these circumstances, Mr. Chairman and gentlemen, when you consider the devotion, zeal, ability, and uncomplaining self-sacrifice of this magnificent body of young Canadians, you probably will appreciate and sympathize with my burning indignation at a campaign which can only be described accurately as maliciously false.

I then had a request from Mr. Dupuis as to an opinion of the Department of Justice on a legal point raised at the Montreal meeting, although the immediate relevance of this point to our operations is not acute inasmuch as we have for the time being, at all events, solved the problem of beer and wine advertising. However, Mr. Dupuis was anxious to have the opinion of the Department of Justice, especially as the case of Russell vs. The Queen was at issue.

I shall read the correspondence. It is dated May 4, 1937.

Mr. MARTIN: Why not table it, Mr. Murray?

The WITNESS: Shall I table it?

Mr. MARTIN: Unless there is some very definite interest in it.

The WITNESS: I shall table the correspondence.

The next question was from Mr. Bouchard who wished to have some further information, first of all, as to what we were doing in the matter of rural problems and, secondly, what is being done in other countries.

The CBC, in co-operation with the dominion Department of Agriculture, began a series of weekly farm talks on December 3, 1938. These are broadcast on a coast-to-coast network every Saturday from 12.15 to 12.30 p.m. The present series concludes at the end of April, with the twenty-first broadcast.

The material is prepared by various officials of the dominion Department of Agriculture on such subjects as:—

- Which fertilizer to use
- Buy food products by grade
- Prairie farm rehabilitation
- Seed testing, etc., etc.

The Saturday farm talk from Ottawa was preceded last autumn by a series of similar farm talks also on Saturday afternoons—each fifteen minutes in length—from the Department of Extension, University of Saskatchewan, to a prairie network. These farm talks from Saskatoon were by experts, and subjects were prairie farm problems.

There have also been various talks directed especially to the farm audience in the evenings. This winter, Dr. E. A. Howes, dean of the school of agriculture, University of Alberta, Edmonton, gave a series of eight talks "How Farming Began" on the history of agriculture. This program was fed to the western network and was followed this spring by a series of talks by Leslie Sara, naturalist of Calgary, who is giving eight talks on tree planting, reservoir building, shrubbery, etc., around farm homes, entitled "Birds and Gardens."

We also occasionally present special talks of interest to farmers. In the "Youth Intervenes" series last May and June, that is in 1938, we had four or five talks on rural problems as seen by young farmers. The topics included "Rural Co-operation"—"Can one stay on the farm"—"Rural schools," etc. Some similar talks by rural youth will be included in the series of youth, dialogues being arranged for this May and June.

"Conservation," a series of dialogues on wildfire, forest and soil conservation between Professor A. F. Coventry of the University of Toronto and other experts were given eight times from March 23 onwards in 1938.

From March to May, 1938, a regional group of talks on fox farming was given to a maritime network from Summerside, P.E.I., once weekly. The speaker was G. Ennis Smith, superintendent of the government experimental fox ranch at that point.

As well as special talks of interest to farmers, we have our music program, "Farmers' Fiddlers," etc., emphasizing old time tunes. We plan to continue this, and, if possible, enlarge it.

On February 20 of this year, the CBC inaugurated an Ontario regional farm broadcast from CBL. This program is presented daily, Monday to Friday inclusive, from 12.15 to 12.30 p.m.

This week-day service is designed to keep farmers posted on last-minute market trends and general agricultural news of vital importance to the rural population of Ontario.

Amongst the market quotations used on this series are live stock prices at the Union Stock Yards, Toronto, bacon prices at various Ontario points, wholesale fruit and vegetable quotations, bean and grain quotations, poultry and egg quotations, butter and cheese quotations and British bacon cable news.

Special producer information concerning live stock is given on Mondays, poultry news is featured on Tuesdays and dairy information on Wednesdays, while on Thursday and Friday special attention is paid to field crops and fruits and vegetables, respectively.

[Mr. W. E. Gladstone Murray.]

In addition, weather reports for five forecast regions are given in special co-operation with the meteorological service of Canada; the divisions for the forecasts are:—

- (1) Southwest counties (bounded by Sarnia, Woodstock, Brantford and Port Dover).
- (2) Niagara Peninsula.
- (3) Western counties (north of Sarnia, Brantford and west of Toronto).
- (4) Lake Ontario counties (between Toronto and Kingston).
- (5) Eastern Ontario counties (east of Kingston and north to Ottawa).

The fruit branch, Ontario Department of Agriculture, is now working out exactly what the fruit growers want in the matter of weather information of benefit to fruit growers during the entire growing and harvesting season.

Three thousand growers in the Niagara Peninsula region alone are being directed by the fruit branch to CBC weather information.

In addition to statistical information such as market quotations and market trends, agricultural news is given on the series. News of agricultural meetings is broadcast together with information regarding agricultural experiments and developments and outstanding achievements amongst farmers' organizations, etcetera.

Now the sources of information are perhaps of some interest—

Mr. MARTIN: I think I should point out to you, looking at the map, that the most thickly populated part of Canada, western Ontario, gets none of this.

The WITNESS: The western counties?

Mr. MARTIN: I am not saying that to be facetious, I am pointing out a very important fact which possibly explains the heat I sometimes display.

The WITNESS: In terms of distribution of the programs it was a fact that it did not reach the homes.

Mr. HAMILTON: My recollection is that it is not so long ago they expressed the fact that they did not want it.

Mr. MARTIN: No, never.

Hon. Mr. HOWE: Hear, hear.

Mr. MARTIN: The minister says, "Hear, hear," which perhaps explains his characteristic lack of appreciation.

Hon. Mr. HOWE: They had a station up there which used to give nothing else, and we took it away.

The CHAIRMAN: I do not think we had better have too much discussion on that point because it looks as if you might lose, Mr. Martin.

The WITNESS: Now dealing with the sources of information for farm broadcasts—CBL Monday to Friday, 12.15-12.30 p.m.

The market reports and quotations on live stock, fruit and vegetables, poultry, butter and eggs, are supplied by branches of the dominion Department of Agriculture in Toronto, supplemented by personal contacts with various brokers and dealers. This information is received by special delivery and telephone up until 12 o'clock—fifteen minutes before the broadcast time. Weather forecasts for the five Ontario regions are delivered by special messenger at 11.45 a.m.

General information for reader material comes through the publicity and extension division of the dominion Department of Agriculture, the various branches of the Ontario Department of Agriculture, including the Ontario Agricultural College and the many farm organizations, such as, United Farmers' Co-operative, Canadian Co-operative Wool Growers, Limited, Ontario Chamber of Agriculture, Fruit Growers Association, Livestock Breeders Associations,

and so on. This material is secured from bulletins, pamphlets, and press releases, as well as by personal contacts with individuals in the departments and organizations. The co-operation of some of the experimental farms in Ontario and the departments of the Ontario Agricultural College has already been secured. They are supplying up-to-date information on current agricultural problems. For example: through the co-operation of the Vineland Horticultural station last-minute advice on spraying is being broadcast; the field husbandry department, Ontario Agricultural College, are providing material for a broadcast on the new rust-resistant oat, Erban; the poultry department, Ontario Agricultural College, will send pointers on raising and feeding baby chicks which is particularly suitable at this season in Ontario, etcetera, etcetera.

Mr. MARTIN: Which western Ontario does not get, I repeat.

The WITNESS: Farm publications are being used to a small extent as sources of agricultural news and it is proposed that an arrangement of mutual benefit may be worked out whereby each can supply the other with valuable information.

When time and money permit, interviews will be carried with well-known farmers and professional agriculturalists, whether they be local men or prominent individuals from other parts of the country "caught" in Toronto. It is also proposed that some remote control features be used. For example: A broadcast from the Royal Winter Fair, the Guelph Winter Fair, Canadian National Exhibition on farmers' day, or a broadcast from the farm of Alex. Stewart, Ailsa Craig, Ontario, when Mr. Stewart and farmers of the vicinity could be interviewed right on the land. . . . in a field of wheat.

Due to the scope of available material of benefit and interest to Ontario farmers, it is thought advisable to increase the time of the farm broadcast for the Ontario region, from CBL, Toronto, to a half hour, daily, 12.15 to 12.45, Monday to Friday, inclusive. It is proposed that the new program go into effect April 17, 1939.

This proposed program would have the added features of a daily dramatic sketch of definite rural interest and more diversified "agricultural news."

The agricultural news expansion will be enabled by the present CBC arrangement with the Canadian Press. The CBC agricultural division is at present working out a plan whereby farm broadcasts may be supplied with not only regional but national agricultural news. This will be of distinct service to farmers.

The proposed half-hour farm broadcast for the Ontario region would break down approximately like this:—

- (1) Markets and market trends (10 minutes).
- (2) Dramatic sketch (10 minutes).
- (3) Agricultural news, interviews, etc., and specialized weather (10 minutes).

the whole being produced and presented, we hope, with a reasonable degree of acceptable skill and with the appropriate music.

In order to give more complete coverage to rural Ontario it is proposed to extend the new half-hour farm broadcast for the Ontario region to an Ontario network, including CBL, Toronto, and CBO, Ottawa.

CBL would carry Toronto markets and CBO, Montreal markets. Both stations would carry the same dramatic skit, agricultural news and specialized weather, originating at CBL, Toronto.

In the province of Quebec there has been a decided benefit in this respect. There is a daily program of talks and information for farmers in French which is heard on our French network. This program in its present form has been on the air for eighteen months continuously and, as I have already noted, it is

a program with which Mr. Georg Bouchard is actively and creditably associated. It should also be mentioned that in this program there is a measure of co-operative effort with the provincial government of Quebec. I should also like to place on the record a list of some of the distinguished contributors who have participated in the program: "Le Reveil Rural" as follows:—

Mme Pierre Casgrain	Pierre Daviault
Mlle Marguerite Bourgeois	Marius Barbeau
Madame J. A. Langlois	L'abbe L. E. Hudon
Mlle Murielle Lavallee	Dr. H. Gariepy
Mlle Eceline Bolduc	E. Juchereau-Duchesney
Mlle Eveline Bolduc	Rev. Pere Morin
Madame Michelle LeNormand	Jean-Charles Magnon
Madame Charles Gagne	Jacques Rousseau
Madame Helene Beausejour	Paul Morrissette
Mme Mathias Ouellette	M. l'abbe J. A. Gill
Mlle Jeannine Champoux	Louis Phillippe Gagnon
Mlle Claire Gervais-Roy	Roger Gauthier
Mlle Marcelle Gauvreau	Georges Bouchard
Mlle Cecile Rochefort	Omer Caron
Mlle Mireille Fortier	Clovis B. Couture
Mlle Marie Lefranc	Jean Baptiste Lanctot
Mme H. Guevremont	Paul Boucher
Madame Croff	Pellerin Lagloire

As I have already stated, we are hoping to extend the present farm broadcast on CBL from fifteen minutes to a half-hour, and also include CBO in the broadcast.

We plan to broadcast a similar thirty-minute program from our new maritime transmitter, CBA, and to follow that as soon as possible with a broadcast for prairie rural listeners from CBK.

Of course, the introduction of both depends on the money which can be made available in our new appropriations, but I am hopeful that we shall be able to give priority to these programs because, if they are successfully done, they have undoubtedly a big audience waiting for them.

Plans for farm broadcasts on our B.C. transmitter, CBR, are also envisaged.

In these broadcasts, we have the full cooperation of the federal and provincial departments of agriculture. The federal Department of Agriculture has appointed a special staff man to collaborate with us in these farm programs.

The program in the west will be under the supervision of Miss Sheila Marryat, who has a wide experience of creating programs for rural listeners through station CKUA, Edmonton, which is the outlet for the department of extension of the university of Alberta. Miss Marryat has recently joined our staff and will make her headquarters at our Winnipeg offices.

We expect that these farm programs will include eventually reports of the latest market services and actuality broadcasts from the various provincial and dominion experimental farms.

The weather forecasts will be specially emphasized. Following on the lines of the separate forecasts for various localities in Ontario, we shall give similar forecasts for the various meteorological localities in the maritime provinces and in the prairie provinces. This is a very important aspect of broadcasts for farmers, since by this means we hope to be able to warn farmers of severe storms and possible hail in separate localities.

In addition to the regular series, and so on, it is perhaps worth while calling attention to the special actuality programs which are done, for example,

on the occasion of the Royal Winter Fair in Toronto. These consist of interviews with notable people attending the Fair; also the results of the various competitions in livestock and in grain. We put on an actuality broadcast every day throughout the progress of the Royal Winter Fair and we are planning to repeat the broadcast this year.

Last year we also broadcast portions of the Chicago International Grain and Livestock Exhibition, and we are planning to do the same thing again this year. The winner of the world's wheat championship at this exhibition has so often brought fame to Canada that we make particular efforts to bring Canadian listeners some of the highlights of this Fair. Last year the National Broadcasting Company carried our service from Chicago.

On Thanksgiving day, we are scheduling a feature program called "The story of wheat." It will be a sound picture sequence of the entire industry from the planting to shipment abroad. This actuality broadcast about Canada's great agricultural industry should be of special interest to farmers. It is also to be broadcast in the United States of America and throughout the British Empire as well.

Mr. Bouchard also asked that I give some account of the subject of rural broadcasting in other countries.

Mr. BOUCHARD: Yes.

The WITNESS: The International Centre of Rural Broadcasting is a formidable title, but it is in existence as a rural international authority. Its headquarters are at Rome. It is associated with the International Federation of Technical Agriculturalists and the International Federation of the Agricultural Press. All of these organizations are collaborated in their activities by organs of the League of Nations and the international labour office in Geneva. The International Centre of Rural Broadcasting was formed for the purpose of keeping in consultation with national and international organizations whose activities will be useful to the aims of the C.I.R.R., the aims being to promote the creation of rural broadcasting in countries where it does not exist, and to give the direction of this service to a personnel of agricultural technicians who are supposed to know the psychology of the farmers.

Special programs are designed for the farmers by committees and commissions formed by technicians and farming practitioners. In countries which include different rural areas and different agricultural conditions, a special committee is established together with necessary local committees who are in direct charge of broadcasting for the various areas.

As a rule, the national committees entrusted with the organization of programs of rural broadcasting are formed of representatives from the ministry of agriculture, of farmers' or agricultural workers' associations or federations; of institutes and schools of agriculture and of the radio stations, assisted by agricultural artistic advisers, with the aim to establish an efficient program under the double aspect of agricultural teaching and popular culture.

In countries where a great interest is evidenced in agriculture, the agricultural programs are inserted in the general programs broadcast by the national radio stations. I should like to say that that is by far the best type of broadcast. Those countries which attempt to isolate their special services do not maintain a consistent listening audience; on the other hand it is a very useful brake to an agricultural program becoming too agricultural—in other words, becoming caviar to the multitude. In other countries, likewise, there are broadcasting stations which feature agricultural programs only, namely, Chile; Uruguay, Allahabad, British India, &c.

[Mr. W. E. Gladstone Murray.]

The frequency of agricultural programs for 38 countries under review shows that—

In 14 countries the programs of rural broadcasting are carried daily.

In 4 countries the programs of rural broadcasting are carried twice a week.

In 10 countries the programs of rural broadcasting are carried weekly.

In 3 countries there is no service or rural broadcasting at all—and

In 7 countries the frequency of the transmission is not known.

I might also say that the special weather reports, going back to what we are doing ourselves—the special weather reports for the maritime provinces to which I referred—should be of great value to those who derive their livelihood from the sea. There has been considerable demand from fishermen in the maritimes for news of approaching storms. It is hoped that this new service from CBA will do something to meet that need.

Mr. BOUCHARD: Mr. Chairman, may I say that I appreciate very much the information which Major Murray has given us, because I think it was unknown to most of us. As I see it, Mr. Chairman, all the programs in the past have dealt with the materialistic side of agriculture, while in Europe they have been very careful to take care of the psychological side as well, or the artistic side or the traditional side which is entirely neglected in our enterprise. No one is to be blamed for that; there are two schools of thought on the matter. One is that agriculture is a mere industry; that it is a money-making proposition. This program is in conformity with that school of thought, which is the predominant one. But I object to that. I object to putting agriculture on the basis merely of a way of making a living. Agriculture is not only a money-making proposition; there is something deeper than that, something that will touch the hearts of the young people. And it is this side that I think should be taken care of. I am only suggesting; I am not criticizing. Perhaps Major Murray will bear with me when I say that in Europe the programs are divided into two parts. Much attention is given to the handicrafts, folk lore songs, to artistic development, to family life, to nature study and all those things which some might call impractical but which really lead to great results by stirring the souls or the minds of young people and thus tying them to the soil. That is what is needed.

Mr. MARTIN: Hear, hear.

Mr. BOUCHARD: I have no suggestion to offer, but, considering the usual courtesy of Mr. Murray, perhaps we might have a special talk on this matter if the committee is agreeable, on the principle involved. We have tried to solve our agricultural problems by statistics, research, and so on. That is all very well; I have nothing to say against it. That is needed, it is fundamental, but parallel with that we should put in a truer light the other amenities of rural life. Half our boys to-day are becoming urban-minded; they are going to the cities looking for jobs. Why? It is because the tendency in education is to make the young people urban-minded. I would go so far as to say that as we have a certain urban snobbery, we should establish a noble rural snobbery. Perhaps if we did we would have a smaller number jobless and more people sticking to the soil, not only for the pecuniary returns but for those other things which should be put in their proper light.

I think, Mr. Chairman, that I have explained my views clearly, and I challenge any contradiction on those points; in fact, I invite contradiction.

The CHAIRMAN: I, personally, agree with what you have said.

Mr. BOUCHARD: Such views are particularly applicable to-day. If we have only figures to put before the farmers, they are sometimes disheartening when

you consider the price of butter and wheat and other commodities; also when you compare the salaries paid on the farms with the salaries paid in cities. But there are other aspects that are never presented to the farmers—

The CHAIRMAN: And they are the essential ones.

Mr. BOUCHARD: They should be presented by the soil lovers, by the sons of the farmers, and so on. They should be given an opportunity of presenting the real picture of rural life in order to develop a greater pride in the countryside. That is what is lacking to-day. We have reversed the order of values. I can very well remember, let us say forty years ago—not to be too indicative—when the real gentleman was the man on the farm, a gentleman of the soil, and so on. To-day we witness a reversal of appreciation, and that is a social question; that is why we have so many people unemployed, why we have so many jobless in our cities.

The CHAIRMAN: In other words, in the days you speak of, the man in the city was always proud to be able to say that he came from the farm, or that he was brought up on the farm.

Mr. BOUCHARD: They are always proud to be able to say that they have come from the farm.

Mr. MARTIN: I think that what Mr. Bouchard has said is so important that there should be further comment on it. When I interjected a moment ago my observation about the situation in western Ontario it was that sort of thing that I had in mind.

Mr. BOUCHARD: Hear, hear.

Mr. MARTIN: Mr. Bouchard knows the problem in my own county perhaps better than I do myself, because he has been down there. I would like to come back to that, Mr. Murray. We have a strong French-Canadian population in Essex county and a good portion, if not a majority, is rural. In my own particular electoral district the rural section is fundamentally French-Canadian farmers who have been there for three hundred years—I mean, of course, they are descendants of families who have been living there continuously during the past three centuries; and they have pretty much of what I might call the esprit that is found in many parts of Quebec; and they have their economic problems which are pretty well solved by instruction of the sort that Mr. Bouchard has been speaking about. And if there is any way through the radio, and there certainly is, of cultivating that spirit it would do a lot to dissipate the economic difficulties of the moment, and to foster and develop that national quality Mr. Bouchard has been speaking about. That is perhaps one of the most important problems which faces Canada. The development, for instance, of the folk-school attitude of Denmark, that sort of spirit, about which Mr. Bouchard has been speaking. When I made the interjection I did a moment ago it was not with the idea of giving expression to a constituency "grumble," as Mr. Woodsworth referred to one of my outbursts one day, but a genuine desire to improve that situation, and we cannot do very much under present circumstances. I hope there will be no change in so far as western Ontario is concerned with your intention to extend the program that you have in mind. And I for one strongly support what Mr. Bouchard has said; while not minimizing the importance of the material side, we should stress the social side. What we have got to do in this country, particularly in our rural life, is to develop a better attitude toward agriculture, similar in a way to what they have been doing over a period of years in countries like Denmark, through their rural education and that sort of thing. And I make these observations, if for no other reason, to support and endorse as strongly as I can what Mr. Bouchard has said.

Mr. HAMILTON: May I say, also, that Mr. Bouchard has expressed what I would like to have expressed had I been able to do so, but I could not do it

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one-half as well as he has done it. I think he has very aptly stated a condition that calls for measures such as those suggested, and I simply add my whole-hearted concurrence in what he has been saying.

Mr. FACTOR: There is just one further angle which I would like to suggest to Major Murray, and that is an appeal to the new Canadians who are coming in—Canadians of foreign extraction—pointing out the advantages of rural life as compared with urban life. The greatest objection that I find when we are discussing the question of immigration, or getting more people into Canada—and it is a legitimate objective—is that people coming into this country usually strike into urban centres and create problems which are sometimes difficult to solve. On my own part, and among my own people, in the last year particularly I have taken an active interest in trying to bring about a back-to-the-land movement, so as to speak, and release the pressure in the urban centres. I suggest to Major Murray some kind of broadcast that would be devoted particularly to these new Canadians, pointing out the great open spaces in our country, the romance of rural life, and the like, do you see. It would carry a tremendous appeal and would be of great service to our Canadian economy.

Mr. BOUCHARD: As an instance of that, Mr. Chairman, you will recall that you and I witnessed the pageant put on in Winnipeg on the occasion of the bi-centennial of La Verendry; you will no doubt recall what a wonderful pageant that was.

The CHAIRMAN: Oh yes, indeed I do.

Mr. BOUCHARD: Well, now, we were just saying between ourselves, all this is coming from our rural side. Why should it not make a strong appeal? There are all these nice folk-songs from the different countries represented, there were ten or twelve different nations at least.

The CHAIRMAN: Practically every nationality was represented there.

Mr. BOUCHARD: Presentations including such a feature would make our national life more colourful. If we were to follow the advice some folks give we would let all of that beautiful material die out and be forgotten, whereas if we make the proper use of it it will become a real contribution not only to our rural life but to our national life. It will make it a little more colourful and a little more attractive, and so on. Let us make something worthwhile out of this instead of treating it as a sort of laughing-stock because we do not understand the kind of civilization from which they have come. I for one believe they should be encouraged.

Another suggestion I would make is that it might prove both interesting and desirable to invite more contributions from the country-side. That would not only help to make people more country conscious, but it would develop pride on the part of people from the country having the opportunity of taking part in broadcasts of that kind, having a chance to appear on the air. Radio should be an instrument of service not only with respect to the cold meat of statistics—of course, there is such a thing as good cold meat—but you know statistics and lectures often are, droll and dry.

The CHAIRMAN: Professors are that way sometimes.

Mr. BOUCHARD: You may well say that the professor is one who loses the human touch on occasion.

The CHAIRMAN: That is what I mean, they are mostly of that type.

Mr. BOUCHARD: Well, that is not enough. That is good, but that should be only a sort of appetizer. Mr. Gladstone Murray knows what the French mean when they use that word "appetizer."

The CHAIRMAN: I would like to give expression to a thought which has been occupying my mind, and it arises out of my own years of experience in farm life. We all have seen what happens to a farmer when he leaves the farm

and goes to the city. He has to compete with the higher degree of specialization that is found today in our cities; these men from the farm are almost without technique from the standpoint of the specialization of labour required in city life today. A farmer may go to the city and very likely he will get a job of work. He will work for years and at the end of those years all he has left is a dinner-pail, and it empty. I think it might be well to put that viewpoint to the farmer. There is one thing sure, although it is forgotten by many people, that the man who stays on the farm, when he gets old still has a little bit of soil and he has a home for himself; whereas the man who has gone to the city has to depend on the old age pension or on charitable care. The man who stays on the farm may not make a great deal of money but he has a home, and he has the certainty that when he gets old he has a place in which to live. For the man who leaves the farm and goes to the city there is nothing left in old age except the old age pension.

Mr. BOUCHARD: Yes. You will agree with me that we must make farm work much more attractive. But all these programs are merely our servants. We have to find out what is best to put on the air; and equally important, what to put in our newspapers. Anything that develops dissatisfaction with people on the farms is most unfortunate.

The CHAIRMAN: Our whole education has done that.

Mr. BOUCHARD: The radio should be used as a means to develop satisfaction with farm life, avoiding any invidious comparisons. There are hundreds of thousands of farmers who are happy and satisfied with life the way they find it, they never complain. Farmers of that type should be invited to give their experiences, to present a true picture of farm life; and that is what I am particularly interested in.

The CHAIRMAN: The departments of education of practically every province are very much concerned about that very matter. I think Mr. MacKenzie could tell us something about that. Our rural teaching has contributed very greatly to the present difficult situation. It is taking people away from the farms.

Mr. MARTIN: The novelist Street has written about eight books on rural life.

Mr. BOUCHARD: And they are all of the best sort, I have read three of them.

Mr. MARTIN: If material of the kind to be found in these books by Street could be broadcast it would have a wonderful effect; it would give a fine conception of English farm life, the beauty of it, what it means and so on.

Mr. BOUCHARD: And with a real rural soul is it written.

Mr. ISNOR: This is a very important question, this problem of rural life, but there is another aspect to the problem which I would not want Mr. Murray to overlook; namely, the fishermen.

The WITNESS: Oh, yes.

Mr. ISNOR: I think the same thought which has been so well expressed by Mr. Bouchard would apply with equal force to the fishermen. I have particularly in mind of course the fishermen along the Atlantic coast, and I would like to express appreciation of the weather reports that are broadcast to our fishermen along the shore. I have a very vivid recollection of last September where the news reached a fishing village about four o'clock in the afternoon, over the radio, that there was a storm coming off the coast. Everyone turned to, assisting in making fast, make secure, fishing gear and boats; and no doubt that saved thousands of dollars; due directly to the fact that they received news in advance of the approaching storm. I think the service is one which will do a lot of good along the coast of Nova Scotia where we are subjected to real storms. You will

recall the big storm of last September when we had a loss among our lobster fishermen of gear and equipment alone amounting to some \$125,000. This was probably cut to a very large extent due to the action taken by Mr. Murray's organization and I would like to commend him for that.

Mr. MARTIN: Are you acquainted with the work being done at St. Francis Xavier university at all?

The WITNESS: Yes, we have had a good deal of that, and it will be an increasing part of our program.

Mr. MACKENZIE: The chairman mentioned my name a moment ago, otherwise I would not have said anything.

The CHAIRMAN: Yes, I did.

Mr. MACKENZIE: Because everybody seems to have expressed what was in my mind. I agree entirely with Mr. Bouchard in the observations he has made. We have talked about this before, both here and in the house, and I agree entirely with Mr. Bouchard; and I think the radio could do a great deal to help out with this tremendous and difficult feature in our national life in Canada. Fundamentally, of course, it goes right to our own thinking in our homes; what does it mean to our children in our homes?

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE: That is the question. What does success mean? What are we driving into their heads all the time; that success means material success, nothing else. Well, they have that when they come to school. It is a difficulty with our school system—I am not speaking for Quebec, but I know the English-speaking provinces particularly, I know most about them and I know that our educational system is bringing people off the farms, almost driving our children away from the farm. As a matter of fact, even since I came down here I have been in touch with educational work in my own province, in my own constituency. I have visited quite a number of high schools during the last three years; and talking to the boys, and the girls as well—the girls as well as the boys—asking them what they are going to do when they get through high-school; well, they are every one of them going to the city. The fundamental in all life, and the success in life, I think is hard work. They can get lots of it on the farm, but that is all they see. If the radio can bring the other side to them, that will help. Now, I was speaking about the high-school system in the country; I find that the high-school students in the city do not want to go to the country, they want to remain in the city; and the country boys want to go to the cities, and the girls. I was struck by something I saw in the Winnipeg *Free Press* the other day. Mr. MacNamara, the deputy minister of Labour for Manitoba, speaking to a young people's organization connected with the churches in Winnipeg—he was speaking on farm placement, and farm placement has been doing a big work in Manitoba, and a very good work—he says that when he speaks to a city boy about going to the country he is shocked; that is the word he used, he is shocked when we suggest such a thing. I said something in a speech not long ago about the Ford plan, the Ford farm plan, a co-operative enterprise in which he brings young people picked up in the city who are doing nothing in particular and places them on this model farm. I was told of five boys who went out on the project last summer who had definitely decided in the meantime to go onto a farm and to take up farm life. These were sons of professional people; one is the son of a clergyman and the others were sons of lawyers. They just got a needed taste of it. Perhaps they will not like it as well after they get more of it.

Mr. MARTIN: They will, if they get the proper thing.

Mr. MACKENZIE: Yes, if they get the proper thing. I think if the Canadian Broadcasting Corporation could help the boys and girls in the country to see

that the country life has advantages they cannot receive in the city it would be a great assistance. At the present time the Department of Education of Manitoba are attempting to change their curriculum to make it more in line with the times, and to build that curriculum on the fact that Manitoba is an agricultural province, and that agricultural economy is what these boys and girls have to consider.

Mr. DUPUIS: Mr. Chairman, I am glad that Mr. Bouchard and others have brought up that very important question of interesting our rural population. I would like to bring attention to another angle of the question that would be very beneficial to the farmers. I am speaking now of the farmers of Quebec. Very substantial progress is being made among the farmers in our province to improve their farming methods, and their method of marketing in respect to selection and grading of products. Not only in our cities, but in our rural districts as well we have to take account to-day of science, perhaps I should say of the caprice of the consumer. For instance, take the question of potatoes: Well, we produce a very good product in the province of Quebec, but just because of the absence of proper grading we find that the best selling potatoes in the province of Quebec in the Montreal market are those produced in the eastern provinces. I may say that I know some jobbers right there in Montreal who take advantage of the negligence of many of our farmers, they buy their potatoes at a low price, take them into their warehouses and grade them and put a tag on them as eastern province potatoes selling them as "Green Mountains" or something of that kind. Well, that is one sort of thing that could be brought to attention through the medium of a radio broadcast. Then, I saw in the press the other day an item to the effect that our Canadian commercial agent in England had stated that our failure to attract the English consumer is due especially to the fact that our Canadian farmers—now I am speaking of Canadian farmers at large—do not pay sufficient attention to the use of attractive packages, wrapping, grading and all that sort of thing which is necessary to make our products attractive to the consumer in the old country. Well, I think that is a thing which should be brought to the attention of the farmers throughout Canada. I think we should stress that point to every farmer in Canada; that we should pay more attention to packing and grading of all the products we have to market; for instance, our fruits, our cheese, and so on. To accomplish this purpose it might be desirable to have someone in authority speak on the radio frequently to get the idea across. And another thing, Mr. Chairman, I think our associations of farmers should send a qualified representative to England, or to Sweden, or to Denmark, to go there to learn their methods of packing their products. I think such a course would result in a very great and important benefit to the farmers of this country. We know very well that the Swedish government have made tremendous progress in recent years in respect to the co-operative movement. I know that we have a certain amount of co-operative organization in our own province, but they do not begin to approach the high level that has been attained, for instance, in Sweden. I think too much stress cannot be laid on the importance of sending a representative of the farmers themselves overseas so that he may be able to study the methods which are proving so successful in Sweden and countries of that kind where they have made great progress in the marketing of their products, particularly with respect to the preparation of the products for export. I think we should teach over the radio the importance of union among our farmers; and now I am speaking more particularly about the farmers in the province of Quebec who have nothing to envy the farmers of other provinces in so far as their endeavour and their desire to be up-to-date is concerned. I think it is of tremendous importance that the farmers should

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be induced to unite, to work together. Some progress has been made in that direction in the province of Quebec, but unfortunately most of the organization so far has been somewhat political in nature. I think we should find some way of getting across to our farmers in the province of Quebec that their operations should be organized along the lines which are above politics, which are higher than polities or politicians; and I include myself in that remark. To the extent that such a movement can be made successful through the medium of radio broadcasting I think the Canadian Broadcasting Corporation would have rendered a very great service to our country.

Mr. BOUCHARD: Mr. Chairman, I am very thankful for the debate that has taken place, but I would just like to add another word. Mr. MacKenzie in speaking about education mentioned that he did not refer to Quebec, so I thought I could make some reference to the situation there. I think it is generally recognized on the one hand that perhaps the best lovers of the soil are to be found in the province of Quebec, as Mr. Dupuis has stated; there also has been something done with respect to rural education. The conference on rural education that took place in 1937 I think demonstrated the fact that we are concerned. That conference showed that the result of our present system was to attract people to the city. It was a kind of an inventory, you know, of our weaknesses and of our mistakes of the past. However, I think we are all of one mind on this point. At the same time I would like to pay a special tribute to the provincial government for the help they have given; and you will recall that they passed a resolution to the effect that they were co-operating with the CBC in order to maintain and develop a rural mind in the province of Quebec, and they contribute to a certain extent towards the maintenance of daily broadcasts for the rural people; and they are to be congratulated for that very fine gesture.

The CHAIRMAN: Well, gentlemen, I think Mr. Murray is pretty nearly through.

The WITNESS: Mr. Chairman, if you will permit me to make just one or two observations on this quite remarkably helpful discussion. I will say quite frankly that I feel, having heard this discussion, almost inclined to apologize for the account I gave, deficient perhaps not so much in the nature of the work which I outlined as perhaps in my failure to give that measure of interpretation of the intangible which has been so eloquently and effectively developed later. In other words, I had the dry bones of information, but much more is needed. It might be, legitimate for broadcasting to inculcate an understanding of the way of life which has been so aptly described; and also perhaps to give a complete reorientation, not within the confines of an information service. Therefore, I shall hope to have your continuous interest and support in endeavours to impart perhaps more inspiration to the rural side—I have not forgotten the special need for accurate information or the importance of inculcating the aesthetics of artistic packing, or the fishermen.

Mr. Patterson has asked me specially to make a few observations on a point relating to a policy which is still in the making. I can describe it briefly as this: With the coming into operation of our two new regional transmitters in the maritimes and the prairies there has to be considered the range of advertising represented by the commercial programs that will be accepted for these transmitters. First of all, it is of fundamental importance to maintain a balance between sustaining programs and commercial programs. We have that pretty well laid down; The second point is that the big commercials, most of which come from the United States, have a very high entertainment quality, so from the point of view of the listener their inclusion is important. The third point is this, that if the advertising, for example, in the maritime region or in the prairie region were to be restricted to only these big international pro-

grams, or even to national programs sponsored by commercial interests of central Canada, there is a legitimate grievance on the part of the commercial interests of the regions immediately concerned; that is, in the maritimes and the prairies. These interests would feel that they were excluded from the use of our important agency to call public attention to their services and goods. That is a problem which has got to be worked out, and I think it has got to be worked out in terms of give and take. The rights of commercial enterprises of the maritime region must be given adequate recognition; and I propose to recommend to the board of governors their serious consideration of this problem at its next meeting. Meanwhile I can assure the committee that no fair representation on the subject is going to be disregarded; and even important program considerations and the considerations of interim operation are not to take precedence over vital regional rights demonstrably at stake.

There was another question. Mr. Ross wanted some information on the subject of the benefits the private stations receive from the CBC. This is essentially statistical and perhaps I might just have it put on the record.

All 27 stations on the CBC basic network and 9 supplementary stations, have the privilege of radiating CBC sustaining programs. There are 20 additional private stations to whom sustaining programs are available on a restricted basis. This is a total of 56 private stations. At present these sustaining programs occupy 70 per cent of the CBC's broadcasting day. Each private station could not hope to fill its schedule with any regard to variety and quality without making use of these sustaining programs.

More than one-half of the CBC's total revenue of \$2,252,732.29 for the year April 1, 1937, to March 31, 1938, was expended by the CBC on these sustaining programs. That is, over \$1,000,000 worth of program talent was made available to all private stations on the CBC network during this period. The greater part of this revenue was derived from licence fees, so that by passing this revenue on in the form of program material to the private stations on the network, it can hardly be said that the private stations do not receive some share of the \$2.50 licence fee.

Moreover, more than one-fifth of the national system's revenue is paid to the wire line companies for maintaining a service of network broadcasting, which makes it possible for the private stations on this network to participate in the common endeavour.

\$1,566,321.73 was spent upon sustaining programs and wire line services in the fiscal year ended March 31, 1938. In the same period, \$1,896,812.64 was the total income from licence fees.

In other words, an amount equal to approximately five-sixths of the CBC's licence revenue was spent on services which first of all enabled a national network to function, and second allowed the private stations on this network to receive and broadcast CBC sustaining programs.

It is difficult to see how none of the private stations can be said to receive no part of the licence fee when an amount equal to five-sixths of that licence revenue is devoted to activities directly beneficial to the private stations on the network.

Aside from this participation directly and indirectly in the revenue from licence fees, 27 private stations on the basic network also share in the CBC's commercial revenue.

Comparative statements for each of three stations having respective network affiliation with the CBC, NBC and CBS, shows that the CBC's basis of remuneration is most generous.

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By way of illustration, let us assume that the advertising rate is \$150 for each of the three stations. Each station carries 10 hours of commercial programs per week. The statement is for 52 weeks, or for a total of 520 hours per annum (based on figures provided in 1937-38):

Amount remitted to CBC affiliated stations for 520 hours of commercial programs during one year period..	\$33,150
Percentage of remittance..	42½%
Amount remitted to CBS affiliated stations for the same period amounted to..	\$19,000
Percentage of remittance..	24½%
Amount remitted to NBC affiliated stations for the same period amounted to..	\$14,796
Percentage of remittance..	19¾%

These figures, of course, are approximate, but give a general picture of not only the comparative amount of revenue obtained by private stations on the network, but also show that the corporation's remittance is more generous than in American practice.

At random I have taken a factual case illustrating the revenue paid to an affiliated station for commercial programs carried on the CBC's networks during the month of February, 1939. This station was paid \$1,100.30. It is a 100 watt station, serving between seven and eight thousand radio homes in its primary coverage area.

The CHAIRMAN: Are there any further questions for Mr. Murray?

Mr. MARTIN: I had a question I wanted to ask about short-wave. I refer to it largely because there has been no discussion of it substantially as yet, and I can assure you that it is a very important matter.

First of all, we have no short-wave facilities now at all?

The WITNESS: We have no national high-powered system. There are privately owned low-powered short-wave stations.

Mr. MARTIN: Yes. Now, I am putting this question so that the record may be complete: Of all the important countries in the world Canada I take it is most deficient in short-wave facilities?

The WITNESS: It is the only important country in the world that is silent on the short-waves.

Mr. MARTIN: The only country in the world. If you were to try to remedy that situation what would be the cost?

The WITNESS: The capital cost would be a quarter of a million dollars, and the maintenance cost would be about \$100,000 annually.

Mr. MARTIN: What has the CBC done about trying to launch or to initiate a short-wave system?

The WITNESS: We have made repeated representations to the government and to this committee last year. The Minister of Transport has also been interested, and I believe favourably impressed with both the national need and the possibilities of such a service; but we have always floundered on the snag of finance so far.

An hon. MEMBER: It would require a higher fee.

Mr. MARTIN: Perhaps the committee has overlooked the importance of this problem. That just supports the stand I have taken all along, if we are going to maintain the CBC we have got to be prepared to pay for it; and as I have maintained all along it cannot be paid for out of the licence fee and you might as well recognize that. I would ask this as a direct question of Mr. Murray. The only way of financing the short-wave is by parliament appropriating the necessary money; is that right?

The WITNESS: That is my opinion.

Mr. MARTIN: I beg your pardon.

The WITNESS: That is my view.

Mr. MARTIN: That is your view. The committee should clearly understand that. We come back to this question of the licence fee which I have been consistently opposing. This short-wave is necessary if the progress of our national broadcasting service is to be maintained; and possibly I may be allowed to say that I am the most progressive member of this committee on this subject.

The WITNESS: There is this further point; it is logical that it should come out of the general fund because it is not for the general benefit of the Canadian listener, it is a national matter. It was so considered in Great Britain when the short-wave high-powered stations were developed there.

Mr. MARTIN: You say the maintenance cost would be \$100,000, and that you think should be appropriated by parliament?

The WITNESS: I think it should be, certainly on our present resources.

The CHAIRMAN: I see, Mr. Martin, that we made a recommendation last year to the government along that line.

Mr. MARTIN: We should make it again.

The WITNESS: I might add as an additional argument that my position has become increasingly embarrassing in the Imperial and international fields since we are relaying programs from other countries with whom we make special arrangements, for instance, with Great Britain; there is involved, of course, the expectation that some day we shall be able to adjust the balance. Time passes and nothing happens. There is also the point that the short-wave bands reserved to us cannot be maintained indefinitely without use.

Mr. MARTIN: Is this not a serious situation and a reason why this committee should urge action along this line this year, that parliament should take action; is it not a fact that Germany is gradually getting hold of the wave bands that were allotted to us?

The WITNESS: Yes. I think Mr. Brockington has already mentioned that they absorbed one in Vienna which was in our allotment, and I doubt if they can be blamed for doing so if we show no intention of occupying the channels.

Mr. MARTIN: Quite.

The WITNESS: And that process of poaching is not likely to stop.

Mr. BOUCHARD: In view of all that has been said, Mr. Chairman, I think we should make a special recommendation before the supplementary estimates are brought down.

The CHAIRMAN: Of course, the government has before it the recommendation of last year.

Mr. BOUCHARD: Yes, and we should press it.

Mr. MARTIN: I think it might be desirable, Mr. Chairman, if the general manager could give us a statement on the advantages and uses of short wave. As I understand it it would not apply only to broadcasting abroad but it would also apply to take care of the inequality of time as between the western part of Canada and the east.

The WITNESS: Yes, it would enable the French-speaking minorities of the west to share to some extent in the programs of the French-speaking majority of the province of Quebec.

Mr. HAMILTON: I don't want to interrupt, but if this question is disposed of I would like to put a question to Mr. Murray before we rise.

[Mr. W. E. Gladstone Murray.]

The CHAIRMAN: Do you wish to discuss this question further? I will read to you the report the committee made last year:—

Your committee was impressed with the importance of the establishment, at an early date, of a high power short-wave broadcasting station. Such a station, your committee believes, would be a great utility in interpreting and advertising Canada abroad and in facilitating an exchange of programs between Canada and other broadcasting systems. Canada, your committee was informed, is the only major trading national without such facilities. It is submitted this should be financed as a national project, operated and controlled by the corporation.

Mr. BOUCHARD: On that point, I think as a committee we should ask our chairman to interview the minister about it and press that point.

Mr. HAMILTON: Do you suggest it should be in our report again this year? I think it should be brought to the attention of the Minister of Transport.

Mr. BOUCHARD: At this junction, Mr. Chairman, I think you might intimate to the Minister of Transport that we desire to press this point, and try to impress it upon him.

The CHAIRMAN: In other words, express to the minister the views that were expressed this morning in regard to short-wave stations.

Mr. BOUCHARD: Yes, and in regard to the recommendation made last year.

Mr. HAMILTON: No doubt it will be incorporated again in the report of the committee when it gets done.

Mr. ISNOR: I think Mr. Brockington definitely stated that this was part of their program. I would refer the committee to No. 2 of the reports of our proceedings, March 2, at page 7; to the statement contained in subparagraph (d):—

A short-wave system as a medium of national interpretation and advertisement and as a means of broadcasting to French-speaking Canadians outside of Quebec.

Was that not intended for that purpose?

The WITNESS: My understanding of it was that it was not intended to be a charge on the CBC; it was to be a cardinal point of policy, nevertheless.

Mr. ISNOR: It was a point of policy?

The WITNESS: Yes.

The CHAIRMAN: In other words, when we make our report this year I think we should emphasize to the government the possibility of our losing channels unless action is taken.

Mr. MARTIN: Last year we made a recommendation in our report, and the matter is one that requires immediate action. What I had in mind when I asked Mr. Murray to elaborate the uses that might be made of short-wave was to give him an opportunity to set out in greater detail the possible advantages, and the urgency of our doing something not next year but this year. If Major Murray could indicate a little more fully the uses that might be made of this short-wave equipment I think it might impress the minister.

The CHAIRMAN: That was dealt with by Mr. Brockington.

Mr. MARTIN: Not in detail, in a general way only.

The WITNESS: I could perhaps summarize it. The international aspect you are familiar with; and then, there is the language problem in particular, that is self-evident. Then, there are problems in connection with time zones which would be simplified. We would be able to transfer our programs more rapidly, and especially now with the rapid development in the quality of

short-wave broadcasting. When our land lines are over-burdened, we would be able to have a supplementary service, and give actualities not only closer to the events but also with greater variety right across Canada. Then, of course, there is the matter of the exchange of programs from other parts of the world. I think it would not be an exaggeration to say that it would speed up the whole rate of our operations, internal and external, and would add materially to the enrichment of our service.

Mr. BOUCHARD: It would help to put Canada on the map.

The CHAIRMAN: May I offer a suggestion to the members of the committee. Evidently they have certainly put a great deal of importance on this short-wave situation, which to my mind is very necessary to the whole national life of Canada. Why could they not form a committee of four or five and go and interview the minister ourselves. Don't leave it to the chairman. We could present our views, and the views of members of the committee, before the supplementary estimates are brought down. I offer that as a suggestion.

Mr. MARTIN: I think that is a good idea, but I think in connection with it we should emphasize the fact that the expenditure ought to be made out of the general revenue as distinguished from the revenues received by the CBC.

The CHAIRMAN: We could emphasize that point to the minister. Would you like me to arrange a meeting with him?

Mr. BOUCHARD: That is a good suggestion.

The CHAIRMAN: I shall try to arrange it for some day next week.

Mr. ISNOR: Does Mr. Martin mean to include the capital expenditure and maintenance cost?

Mr. MARTIN: I had that in mind, because as I understand it the purpose of the whole thing is to extend Canada beyond our borders; at least, that is one of the main purposes. Yes, that was my idea.

Mr. HAMILTON: I have a question I would like to direct to Mr. Murray. I presume he will be back with us again. I understand that next Tuesday is reserved for the hearing of Mr. McCullagh.

The CHAIRMAN: I think the understanding was that next Tuesday we are going to have Mr. McCullagh on the stand.

Mr. DUPUIS: It won't take much time.

Mr. HAMILTON: May I leave a thought with Mr. Murray, he may want a little time in which to consider it. One of the main phases of the existence of the CBC is the building up of a publicly owned and operated radio service in the Dominion of Canada, the building up of the equipment necessary to do that, the building up of the programs and entertainment features, talks and so on and so forth; and in doing that I think speaking generally that they are developing along lines, or tending to develop along lines, from what has been told us in this committee, that are fairly popular throughout the Dominion of Canada. On the other hand, there are certain phases of radio operation that are not so popular. One of those, of course, is the licence fee and its collection, which is taken care of by the Department of Transport and is entirely dissociated from any of the activities of the CBC. Another phase which is handled by the CBC, and which is a very contentious one, and to my mind will not only continue to be contentious but will probably be increasingly so, is censorship: deciding who and under what conditions certain programs may or may not go on the air. And the thought occurs to me as to the possibility or the desirability of in some way severing the censorship angle and the angle of saying who shall go on the air, or only go on under certain conditions; severing that from the program work and from what might be termed the national broadcast service. Now comes my question. With that thought in mind, what is

[Mr. W. E. Gladstone Murray.]

the practice with respect to nationally owned and operated radio services such as the BBC, and any others there may be? Is the censorship feature carried out and dealt with by the same body as handles the building of programs and the broadcasting of them?

The WITNESS: Yes, it is an integral function of the main operation.

Mr. HAMILTON: Are there others besides the BBC to which that applies?

The WITNESS: The Australian Broadcasting Corporation and the South African—it is most severe in South Africa.

Mr. HAMILTON: Then I do not know if you agree in this, Major Murray; would it be a handicap to the building of a stronger and better national broadcasting service and the popularizing of it if the censorship function was taken away from it and put in other hands? Would it be better for it, or worse for it from the point of view of the feature which we were discussing a few minutes ago, the inspiration of interest in farm life? The idea I have in mind is popularizing the CBC as a national institution for giving radio service in the sense of promoting education, Canadian public thought, and so forth, to the listeners of the Dominion of Canada.

The WITNESS: Well, it is a problem to which I would like to give a little more consideration than is possible at the moment. But I might make this observation that while the proposal sounds attractive there might be some question about its feasibility in practice, for this reason; you would be setting up new machinery and I think you are bound to have a certain degree of conflict. The new censoring authority would find itself faced with the fact that part of its duties would be to apply its restrictions to the CBC as well, wouldn't it?

Mr. HAMILTON: Yes, that is it.

The WITNESS: I mean, the censorship authority.

Mr. HAMILTON: This committee perhaps would not be prepared to go that far, but the fact is that these limitations have been to a certain extent the cause of the difficulties you have met so far.

The WITNESS: If it is assumed that the CBC policy as described, is the right policy, then its chief characteristic is absence of censorship; I mean there is a minimum of regulation, and there is no censorship apart from the law.

Mr. HAMILTON: May I illustrate it this way. It is pretty hard to decide the gradations between what is, we will say, a religious broadcast and a political broadcast. Sometimes it has been a contentious issue. Then, again, take the case of advertising, a personal broadcast, such a broadcast sometimes becomes advertising and it is difficult to say whether it is advertising or whether it is not. It requires a pretty fine discrimination to decide some of these points, and whoever is required to apply the rule is going to face unpopularity.

The WITNESS: Undoubtedly I would be the last one to resist any suggestion the purpose of which would be to increase our popularity. I think this raises a question of principle and a question of administration which I would be very glad to think about and let Colonel Hamilton have a considered view.

Mr. HAMILTON: I am suggesting some thoughts that occurred to me. I have no definite idea on it myself one way or the other. I am anxious and ready to build popularity for the CBC.

The WITNESS: I very much appreciate your good will.

Mr. BOUCHARD: In any case of dissension could the matter not be referred to the minister or to the Department of Justice for a ruling?

The WITNESS: It would be difficult to allot censorship outside the confines of the body which has the direct sense of audience and the feel of the business. But I think it is worth while to explore all these suggestions, because certainly the thesis is a sound one that unpopularity is concentrated in those two directions.

The CHAIRMAN: Gentlemen, it is 10 minutes to 1 o'clock. I do not suppose you want Major Murray to appear on the stand again unless some questions arise from other witnesses who appear.

Mr. MARTIN: There has been a lot of public criticism of the CBC, and it is not very pleasant for a public servant to operate under that kind of criticism when he is not given a more adequate opportunity sometimes of defending himself. I think this committee should go on record as expressing not only its thanks but its gratitude to Mr. Murray for the display of a remarkable ability which is undoubtedly largely responsible for the achievements of the CBC to date. I should like to put that expression in the form of a motion, Mr. Chairman.

Mr. BOUCHARD: I will second that motion with pleasure.

Mr. ISNOR: Mr. Chairman, we are all in accord with that, but as to whether there is a great deal of criticism I am not inclined to agree.

Mr. MARTIN: It all depends where you live.

Mr. ISNOR: I think we ought to express our appreciation but certainly not because of the criticism.

The CHAIRMAN: Yes. I think, gentlemen, there is no need of a motion. Every member of the committee, I am sure, is convinced that Mr. Gladstone Murray has gone to a great deal of pains in order to inform the committee as to the activities of the CBC. He has done this in a most admirable manner, and I think every member of the committee has benefited greatly by the presentations of Mr. Murray. On behalf of the committee, Mr. Murray, and I am sure I am expressing the views of everyone, even those who are not here to-day, I wish to say that we appreciate very much the assistance you have given to us in outlining and putting before the whole Canadian people the activities of your organization as well as its efficiency.

The WITNESS: Mr. Chairman and gentlemen, I wish to thank you very much indeed. I am entirely unworthy of this tribute. It should be given to the staff which has performed its duties so well. But I take it that it is meant for the whole organization.

I should like to say just this in addition, that I thank you not only for the exceptionally sympathetic and considerate treatment you have given me but also—and I should like to emphasize this—for the numerous constructive suggestions which you have given. I got the feeling as this committee went forward with its deliberations that it had a genuine desire to cooperate in order to develop and enrich broadcasting in Canada. Apart from any decisions or conclusions you may reach I want you to feel that you have contributed very materially to the improvement of our program service in the coming years.

The CHAIRMAN: The committee will adjourn until 11 a.m., Tuesday, April 4, 1939.

(At 12.55 the committee adjourned to meet again at 11 a.m., Tuesday, April 4, 1939.)

SESSION 1939

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

TUESDAY, APRIL 4, 1939



WITNESSES:

Mr. George McCullagh, Publisher of *The Globe and Mail*, Toronto, Ont.
Mr. Leonard W. Brockington, K.C., Chairman, Canadian Broadcasting
Corporation.

OTTAWA

J. O. PATENAUME, I.S.O.

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

MINUTES OF PROCEEDINGS

TUESDAY, April 4, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bertrand (*Laurier*), Bouchard, Dupuis, Hamilton, Héon, Howe, Hurtubise, Isnor, Johnston (*Bow River*), Lawson, MacKenzie (*Neepawa*), MacMillan, Patterson, Ross (*Moose Jaw*), Slaght, Stevens, Thompson, Turgeon, Woodsworth—20.

In attendance:

Mr. Leonard W. Brockington, Chairman, Board of Governors, Canadian Broadcasting Corporation;
Mr. Alan B. Plaunt, Board of Governors, Canadian Broadcasting Corporation;
Mr. Gladstone Murray, General Manager, Canadian Broadcasting Corporation;
Dr. Augustin Frigon, Assistant General Manager, Canadian Broadcasting Corporation;
Mr. Donald Masson, Chief Executive, Assistant to Canadian Broadcasting Corporation;
Mr. W. O. Findlay, Assistant to Chief Executive, Canadian Broadcasting Corporation;
Mr. H. C. Keddy, Secretary to the General Manager, Canadian Broadcasting Corporation;

Mr. T. T. Odell, Executive Office, Canadian Broadcasting Corporation.

The Chairman read to the Committee a letter received from Mr. Glen Bannerman, President of the Association of Canadian Advertisers.

Mr. George McCullagh, publisher of the *Globe and Mail* of Toronto, called.

The witness presented to the Committee a submission outlining the incidents in relation to the cancellation by the Canadian Broadcasting Corporation of broadcasting time that he had arranged for during 1938-39. He also answered questions put by the following members of the Committee: Messrs Beaubien, Ross (*Moose Jaw*), Hamilton, Thompson, Slaght, Stevens, Lawson, Johnston (*Bow River*), Dupuis, Héon and Turgeon.

Witness retired.

Mr. Leonard W. Brockington recalled.

Witness retired.

Discussion followed and on motion of Mr. Woodsworth,

Resolved,—That Mr. McCullagh be not further heard now but that if necessary he be recalled at a future date.

The Committee then adjourned to meet again on Thursday, April 13th, at 11 o'clock, a.m.

WALTER HILL,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

April 4th, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. Arthur Beaubien, presided.

The CHAIRMAN: Gentlemen, we have a quorum. Will you kindly come to order.

Members of the committee will remember that a few days ago I intimated to them that I had received verbal word from the Association of Canadian Advertisers that they would not appear before this committee as they had met the board of governors in Montreal. Since then I have received a letter from them which I think I should read to the committee. It is addressed to me as chairman of the radio committee and reads as follows:—

March 31st, 1939.

Dear Mr. BEAUBIEN,—According to Mr. Howe, on February 20th, and just receiving your very kind letter of March 6th, the Association of Canadian Advertisers, through their radio committee, had the opportunity of discussing their problems with the board of governors at a meeting in Montreal.

The discussion which we were privileged to have with the board of governors, was a very frank exchange of views. It is a feeling of our representatives who attended that meeting, that there is, on our part, a much better understanding of the problems with which the board of governors are confronted in the development of radio broadcasting in Canada. We also feel that the chairman and members of the board have a much clearer and sympathetic understanding of our difficulties as users of commercially sponsored radio broadcasts. We now feel that there is a common ground to the working of our mutual problems in the presentation of the finest possible quality of radio entertainment for the people of Canada.

In view of the meeting in Montreal, we now feel that no good purpose would be served by appearing before your committee. In making this decision, we would like to say, that we have deeply appreciated the courtesy which has been shown to us in the past and to the various radio committees for whom we have had the privilege of making our representation.

We also feel that it is only fair to say that we were impressed by the appreciation which the chairman and the board of governors had for their trust. Their fair minded attitude in dealing with our problem, created in our representatives a feeling of confidence for a successful development in which trade and industry would have its part as far as radio broadcasting in Canada is concerned.

Yours very truly,

(Signed) GLEN BANNERMAN,
President,

ASSOCIATION OF CANADIAN ADVERTISERS.

Now, gentlemen, as you all understand, it was decided that we should have Mr. George McCullagh, Editor of the *Globe and Mail* of Toronto, here to-day. Mr. McCullagh is here, and I extend to him on behalf of the committee a very hearty welcome. Mr. McCullagh has a statement in writing and he would like to have the privilege of reading that statement. May I ask members of the committee to permit him to read the statement and after he has completed his presentation if any members of the committee wish to ask questions an opportunity will be afforded them, and I imagine they will be welcomed by Mr. McCullagh.

Mr. McCullagh, will you proceed.

GEORGE McCULLAGH, Publisher, "The *Globe and Mail*," 140 King street west, Toronto, called.

The WITNESS: Mr. Chairman and members of the committee, I wish to express my thanks for the opportunity of appearing before you. If I may have the privilege, I would like to review the incidents leading up to the refusal by the Canadian Broadcasting Corporation to allow me to broadcast over a network of stations, either publicly owned or privately owned. In reviewing these incidents, I wish to impress upon you that it is not my desire to obtain any redress from the commission for actions they have taken, and I would ask you to divorce your minds completely from me as an individual, with the view that we can discuss impartially the principle involved, which to my mind, far transcends in importance anything that affects me as an individual.

I have turned up the purpose for which this committee was appointed and I find that on February 10th your special committee on radio broadcasting was appointed with among others, the following powers: To review the policies and aims of the Canadian Broadcasting Corporation and its regulations, revenues, expenditures and development, and power was given to you to send for persons and papers and records for that purpose.

My first association with broadcasting came in September, 1937 when I engaged a network of private stations to give a broadcast previous to the election in Ontario of October 6 the same year. I reserved this network some three weeks ahead of time, and approximately a week before I was to go on the air I received a letter from the general manager of the corporation, Mr. Murray, cancelling my network on privately owned stations. At that time I immediately got in touch with Mr. Murray, also the chairman, Mr. Brockington. Mr. Brockington took the view that he had no idea that I had already engaged the stations, that there was no basis for refusing me the right to speak and that I should be reinstated—which I was. I ask you to pay particular attention to that now, in view of the action of the corporation recently which denied me the same privilege, and I would ask you members of the committee to consider what has taken place in the interim of fifteen months to change Mr. Brockington's expressed views to me at that time.

In regard to the recent action which has been the subject of discussion in this committee, I would like to say that I made a statement at that time that it was an invasion of the rights of the individual, and in my opinion, a threat at one of the fundamental principles of our democratic life—that of freedom of speech. I have followed closely the evidence given before this committee by the chairman, and I would like to say now that he has failed to change the opinion which I expressed at the time.

It is all very well to suggest that there have been inconsistencies. I find no inconsistency—excepting the one which refused me the right which had been granted to others and also granted to me previously. You gentlemen are all familiar with the correspondence concerning my application for five broadcasts

[Mr. George McCullagh.]

and the subsequent refusal for time on the publicly owned communication system, and also the denial of the right to use a privately owned network, which I had, at the suggestion of the general manager, already engaged.

Mr. Brockington in his evidence has attempted to establish that this policy is a familiarly understood one, and that there is nothing new, and that Mr. Murray was quite right in denying me the time. It may be significant to this committee when I tell you that when I first called Mr. Murray, advising him that I wanted to purchase time for the purpose of these broadcasts, he at no time in the conversation said that it was against the policy of the corporation, but he did strongly urge me several times to call Mr. Brockington direct. May I suggest that if there was a well defined policy and as it has been proven that there was no regulation at the time, why did Mr. Murray try to steer me to the chairman of the corporation. This I refused to do, taking the position that I wanted no special favour, all I asked Mr. Murray to do was to arrange the time as best he could. I might say that at no time did I call Mr. Brockington, or the Minister of Transport, whom I know well, or any member of the government to solicit their influence, but I stood firmly on the rights of a private citizen.

Mr. Murray's first letter on January 3, the day I first talked to him, makes this amply clear. Let me quote his words—"Since our conversation this afternoon, I have talked with Mr. Brockington, our chairman, in Winnipeg. It was clearly my duty to do this in a matter impinging on policy discussions in recent meetings of the board." I would like to emphasize that, "impinging on policy discussions." "Also I presented your application in the most sympathetic and attractive way that I could contrive."

I suggest to you that if there were a definite policy, why was it necessary for him to present my application sympathetically? I again quote Mr. Murray's words—

Hon. Mr. MANION: Mr. Chairman, it has been called to my notice that the railway committee room has been placed in order and is not in use to-day. Might I suggest that possibly it would be more comfortable for these proceedings?

The CHAIRMAN: I would like to comply with your request, but this is the fourteenth meeting we have had and they have always been in this room. I do not think it would be advisable to change now.

Hon. Mr. MANION: I am not suggesting that you should change, I merely call your attention to the fact that that room is available.

The WITNESS: I see you have quite a lot of them here for the "kill."

Mr. BERTRAND: Could we not have a chair for Dr. Manion?

The CHAIRMAN: Dr. Manion, might I offer you a chair at this end of the room?

Hon. Mr. MANION: I can hear all right from here. Mr. McCullagh is a good broadcaster.

The WITNESS: If I may suggest, I am glad to meet Dr. Manion here, I may need a doctor.

Hon. Mr. MANION: Or the committee may.

The WITNESS: May I proceed, Mr. Chairman?

The CHAIRMAN: Yes.

The WITNESS: "Mr. Brockington was unable to help me find a formula of acceptance in view of the general policy of the corporation."

The last words are important, Mr. Chairman—"A formula of acceptance in view of the general policy of the corporation"—a general policy with respect to which so far as it would appear a matter of record simply never existed. If there is such a policy, gentlemen, it would be refreshing for me and the

public generally, to see the production of the minute book which Mr. Brockington apparently is reluctant to produce, although asked for by his responsible minister, Hon. C. D. Howe.

The CHAIRMAN: Just at that point, Mr. McCullagh, may I point out to you that the committee here are all in accordance with the principle decided on with respect to the production of minutes; that was the position arrived at as a result of the decision of the committee here. It is not the decision of Mr. Brockington, or of anybody else; it is the decision of the committee.

Mr. SLAGHT: The statement of the gentleman talking is absolutely correct, Mr. Chairman; you are correct too, but let us not confuse two things.

The WITNESS: I will, I think, if I may, Mr. Slacht, clear that up to your satisfaction. I have made reference to Mr. Brockington's reluctance; I would like to prove it from your record, if I may.

Let me be very accurate in this statement—on page 57 of the evidence before your committee we find that Mr. Factor made it clear that you were discussing a matter of policy affecting the public generally. Let me then read:—

Mr. FACTOR: For a different purpose entirely, Yes: And we took strong exception to furnishing material that would make information available to competitors of the broadcasting corporation. Now we are discussing a different thing altogether, a matter of policy affecting the public generally, and I certainly would distinguish between the discussion last year and the present discussion.

The CHAIRMAN: Well, of course, the same principle is involved.

Mr. FACTOR: Not in so far as I am concerned.

Hon. Mr. HOWE: Surely there is no objection to it, is there Mr. Brockington?

The WITNESS: I am not going to answer that question at the moment.

I point to this because I have made the statement in my paper, and it has become the subject of press controversy that I was the victim of Mr. Brockington's assuming discretionary powers which parliament had not vested in him and which he has no regulation and no previous policy to support. That is the position as I see it to-day.

When I was denied the privilege and it became public property, the Minister of Transport made the unfortunate statement to the House of Commons, which must have been based on misinformation he had received from the broadcasting corporation, that this was quite usual procedure, and that there had been as many as twenty similar cases denied the same privilege, but we find that this is the first case in which such action was taken. The minister quite innocently, I believe, was placed in an embarrassing and unfortunate position by the misinformation which he must have been given, and he had to go before the House of Commons and retract the only specific case he pointed to, that of Sir Edward Beatty. May I say right here that I am perfectly sympathetic with the mistake Mr. Howe made—a busy man has to rely on the most accessible information and he undoubtedly in good faith expressed this view into which he was misled.

To get back to the correspondence with the executive head of the corporation, Mr. Murray, the only person with whom I dealt. Following his first letter which denied me the time on the publicly owned system, I telephoned him. In this conversation he frankly admitted that if I wanted to purchase time for the C.C.F. party, the Canadian Club or the Communist party, that I would be free to do so. In other words, gentlemen, I ask you to consider the hypocrisy of any conjured up ruling which says in effect that if I am willing to disavow my opinions, I could give them over the publicly owned system. May I trouble you

[Mr. George McCullagh.]

for the moment to look with me at my letter to Mr. Murray of January 4. My statement is as follows: "This ruling I understand would not apply if I were speaking as a representative of the Canadian Club, the C.C.F. party or in fact the Communist party. In my opinion this ruling is very unfair and greatly prejudices the right of free speech on a government owned system of communication." This confirmation of our conversation has never, to my knowledge, been questioned.

In the same telephone conversation, I explained to Major Murray that I was eager to get my speeches, which were mostly written, before the public, and I suggested to him that this ruling would restrict me to the use of a private network, and he told me that I would have full privilege to go ahead and use the same network that I had used in my previous broadcast, and that was a network of privately owned Ontario stations. May I say here that I have made the statement over the air and in the press that I engaged the private network with the full knowledge and approval of Major Murray, and I cannot see anything in the evidence before the committee, or anywhere else, that questions that statement. Subsequently, the privilege of speaking over this network or privately owned stations was also denied me. I think that is with the approval of the general manager, and then they come along and deny me stations which I have engaged which are not owned by the government or the people of Canada. Now I ask you to consider at this point that George Drew speaking as an individual under exactly the same circumstances used a similar network some few weeks previously. He was speaking as an individual seeking to influence public opinion, using his own money to pay for the time. I have so far failed to see any evidence before this committee which can justify the discrimination against me in comparison to George Drew. Why should they treat my application as a border-line case and not treat his in the same way? His case is the same as my own, why should they not come out frankly and say what their stand is?

Mr. Harry Sedgewick, whom you possibly know is manager of CFRB, and a man of extensive experience in the broadcasting business, is the authority for the statement that—and these are his words—"In my opinion this is a new rule, because I have never heard of it before. We always had to apply for permission and this was automatically granted. This is the first time to my knowledge that this rule has ever been invoked."

Confirming this, permit me to take you back for a moment to an interview when Major Murray came to my house in Toronto, after endeavouring to see me at my office. This interview took place on Thursday the 12th of January, after Mr. Brockington decided to prevent my using the private network and three days previous to my first Sunday broadcast.

Mr. BROCKINGTON: Will you repeat that statement, the last statement you made, please?

The WITNESS: This interview took place on Thursday, the 12th of January, after Mr. Brockington decided to prevent my using the private network, and three days previous to my first Sunday broadcast.

Mr. BROCKINGTON: After I decided, did you say?

The WITNESS: That is what I said. I base my statement on the information available to me.

Mr. BROCKINGTON: I see.

The WITNESS: I wish to make it perfectly clear that when Mr. Murray came to my house I suggested to him that as this subject would probably develop into a public controversy, that he might wish to regard his visit as social and refrain from discussing business. He assured me that the purpose of his visit was definitely to give me first hand his views in regard to what he termed "the mix-up."

Mr. Murray took issue with me as to my views of private opinion broadcasts over the publicly owned system, but he expressed himself entirely out of sympathy with the action of Mr. Brockington in denying me the right to use a private network previously engaged. I asked him if this action had the support of the government and he assured me that Mr. Howe was in the south and knew nothing of the incident. He emphasized the fact that Mr. Brockington personally gave the orders and that he, Murray, was in the position of a servant having to carry out his superior's instructions. When I asked him why I should be personally persecuted and discriminated against as no one ever had been before, he took the position that after all, my paper, the *Globe and Mail*, had been none too friendly to the CBC and their \$2.50 licence fee.

By Mr. Bertrand:

Q. Did he give that as a reason??—A. What is that?

Q. I said, did he give that as a reason for his action?—A. He gave it in the way I gave it to you.

Q. What I want to know is, was that given to you as a reason?—A. I asked him why I should be discriminated against, or why they should select me as an individual who has been or whose paper has been known to be friendly to the CBC.

I suggest to you gentlemen of the committee that here is substantial evidence that the decision to deny me the time was not arrived at through any policy or any regulation, but through a personal prejudice against me and my newspaper. Mr. Murray went to great length to assure me that he was out of sympathy with this incident, and in this I believe him. He further expressed his desire to help me and suggested that I have recordings made to reach the public—here is the only man with whom I dealt and he tells me I should get recordings made to reach the people. He did deny me the right to have a network—and frankly stated that this would not be approved by the corporation but that there was no policy which would enable the corporation to prevent me from broadcasting my message in that way.

I told Mr. Murray that I had already, on my own initiative, taken this method of reaching the public, and had, as a matter of fact, made my recordings a day or two previously.

In Mr. Brockington's evidence he has gone to great length, supported with his usual eloquence, to surround radio and radio broadcasting with a certain amount of mystery. I would like, with your indulgence, to strip Mr. Brockington's evidence of its eloquence and get down to the facts, which will, I am sure, influence you as a committee in arriving at a fair policy for the future, which is the only issue in which I am concerned. Radio is only a modern means of communication. Just as we have passed on from the horse and buggy stage to travel by air, our communication systems, as Mr. Brockington well knows, have progressed with like speed.

Mr. Brockington in his evidence has raised the cry of wealth being given certain privileges. Now, gentlemen, this, in my opinion, is entirely irrelevant to the case and designedly meant to influence the masses of the people. I at no time in my correspondence or over the telephone, asked to be given privileges denied to someone else by virtue of the fact that I had some money. In fact, the broadcasting corporation were at perfect liberty, and still are, to give time free to anyone if they so wished who held views contrary to mine.

I am perfectly cognizant that the broadcasting corporation must sell balanced programs, and they cannot clutter up their systems with too many speeches, and for that reason it must be left to the executive head's judgment as to how much of this type of material he includes in his sale or allotment of time. It is significant, however, that at no time in this controversy has it

been suggested that the time I sought over the private system which had already been contracted for, was not available. I do object, however, to any head of a bureaucracy taking the stand that he must be the judge as to who shall or who shall not speak. Am I, because of the fact that I have some material wealth, going to be denied the privilege of a man who has less money? Let us take for instance the chairman of this corporation, who is a great after-dinner speaker. Supposing he wants to leave Winnipeg and speak before the Canadian Club at Vancouver, and supposing I, who hold different views to him, would like also to speak before a similar organization in Vancouver. Because of the fact that I have not the money to purchase my railway fare to get there, and he has, should he be denied the privilege of giving his views?

Along the same line of reasoning, does Mr. Brockington suggest that because I can afford to pick up a telephone and call Halifax long distance, and that Tim Buck cannot find the money, that I should be denied my rights to get my views before my man in Halifax? If you carry it one step further, are you going to have a bureaucracy set up in this country which says that if I have a more powerful voice than some other individual I should be denied the use of my voice because he cannot speak as loudly. The next thing you gentlemen will hear is that it is a sin to travel in a pullman car when you go to Toronto overnight, and you ought to sit up in the smoking compartment because somebody else cannot afford a pullman. It is just as sensible.

I maintain, Mr. Chairman, that as far as private stations are concerned, as long as this government allows private enterprise to own broadcasting stations, that they have no more right to say whether they join together in a network than they have to say that the Southams or the Siftons or anybody else, cannot buy a chain of newspapers. I ask you to consider the hypocrisy of an excuse which in effect says that I can speak over CFRB in Toronto, and that what I say may be all right for the people within the radius of that station to hear, but it is wicked for the people a little farther west in London or Sarnia to hear it. I suggest to you that it is an absolute absurdity, as is so often found to be the case where an attempt is made to support an unsupportable position.

I want to say right here that I am perfectly sympathetic with the possibility of making a mistake in the administration of any business, but I do object, strenuously, as I think you will, to the efforts of Mr. Brockington to convert a mistake into a policy for the future. Mr. Brockington in his evidence made full and generous admissions of inconsistencies in the application of the board's supposed policy, but I say that his defence of the policy itself was no less inconsistent. He said that censorship was undesirable and perhaps impossible. He said that not enough varieties of opinion had been expressed on the air. He asserted that national problems and international problems should be discussed by Canadian citizens without fear. He said that the corporation had always taken and will always take great care in the selection of network speakers to see that they are competent to discuss common problems within recognized amenities. He said that if opinion, sufficiently informed, on the lips of an attractive speaker is available, it will be offered by the CBC without remuneration as a contribution to national enlightenment and provocative discussion.

At another time in his evidence Mr. Brockington admitted that he thought I was sincerely anxious to promote public welfare, and he paid tribute to what he termed my "vital and engaging personality," for which kind words I take a bow.

Mr. BROCKINGTON: I shall have a few more adjectives this morning.

The WITNESS: Thank you very much. Continuing:

Yet with all these amiable and constructive sentiments flowing freely from his lips, he still insisted that this engaging and vital personality ought to have been denied any opportunity to promote the public welfare over any network.

In fact, Mr. Brockington was only sorry that the general manager of the corporation had not gone further in suppressing the promotion of public welfare by this engaging personality; and had he been in Mr. Murray's position, he would have made it impossible for my message to be heard even by means of recordings. I say he is taking unto himself very dictatorial powers which were never intended by this parliament.

Completely ignoring all rules of logic, Mr. Brockington quotes from the rules of the Columbia Broadcasting System and the National Broadcasting Company in defence of his policy of discrimination, remarking that these two companies were, to use his words, "Just as sage as the Canadian Broadcasting Corporation." But, in another part of his evidence, he asks whether the committee would like broadcasting in Canada to be administered by private interests and "placed under the domination of advertising, of cupidity and of wealth." These are fine phrases; but if the conduct of the two major networks in the United States is so exemplary that it evokes Mr. Brockington's admiration and provides him with authority for the defence of his own policy, how can he reason that a government controlled radio monopoly is the only trustworthy and unobjectionable instrument for controlling the power of radio? If the two commercial networks, CBS and NBC,—which are privately owned—are able to discipline in the public interest, and if their rules are a model upon which Mr. Brockington is pleased to pattern his corporation's conduct, why should he assume that if control of radio in Canada ever escaped his own hands, it would fall into the hands of "politicians, of advertising and cupidity and of wealth"? These same broadcasting systems, from whose regulations Mr. Brockington derives comfort and support, permit advertisers to purchase time during which such well known commentators as Lowell Thomas and Edwin C. Hill, among others, freely express their opinions. You gentlemen here know that every Sunday evening one of the greatest programs on the air, and one of the most influential moulders of public opinion, is Mr. Cameron of the Ford Motor Company; yet Mr. Brockington contends that the CBC should prevent a newspaper from purchasing time on a network for any representative of its own to express its views—not, mark you, because that representative has no views worthy of expression, nor because he is unable to express them acceptably, but because he possesses a bank account.

I might also mention the well known broadcasts of Father Coughlin of Detroit, over a network of forty-six private stations. That has nothing to do with the CBC there; that was through the NBC.

Mr. BERTRAND: That was not a very great contribution.

The WITNESS: You are speaking of the Father Coughlin broadcasts?

Mr. BERTRAND: Yes.

The WITNESS: Continuing: I might also mention the broadcasts of Colonel Frank Knox, publisher of the Chicago *Daily News*; and as recently as April the first, Frank Gannett, publisher of the Gannett newspapers, was the principal speaker over a broadcast from the National Republican Club's Saturday discussions over the NBC Blue Network, the subject of his talk being "America's Future."

At this point a statement as to the view of the very large and representative body of American public opinion might not be out of place. In a recent review of American radio entitled "Broadcasting and the Public," the Federal Council of the Churches of America summed up the whole question of the relations between the institution of broadcasting and the state in the following words:—

At this point, however, an acute problem arises. Control in any degree over the quality of programs, through authority to give or withhold a licence, is a power to be used cautiously and to be vested in a federal commission only under the strictest safeguards. The American

people have never been willing to let the government have control of the cultural activities of the nation. We have, for instance, kept education as free as possible from all interference by the national government. Nothing is more important than that broadcasting should be kept free from political domination. *In a democracy, freedom of speech is a priceless possession.* No administrative government agency is wise enough to be entrusted with what the people shall hear. Freedom of radio is almost, if not as important, as freedom of the press. If either is curtailed, our political and religious liberties are imperilled. For this reason we believe any attempt to regulate utterances over the radio by an administrative government agency, except within canons of decency, propriety and public safety clearly defined by statute, is dangerous and contrary to public policy. Any threat of non-renewal of a licence on the basis of programs not yet broadcast we would regard as a form of censorship.

In Canada, the position differs a little from that in the United States—but only a little. The principal difference lies in the sparseness of Canadian population and the tremendous extent of Canadian territory. It was reasonably argued that, in the early stages of radio development in this country, certain territories might not be adequately served by private broadcasting interests; and it was also argued that the overwhelming weight of American programs coming from across the line constituted an assault on our peculiarly Canadian national culture, and tended to indoctrinate Canadian people with American ideas. Whether that is bad or not, I do not know. Why anyone should think that the remedy for that was to create a broadcasting monopoly on the broad lines of the British Broadcasting Corporation, no one has yet discovered. There cannot be a radio monopoly in Canada, because programs in English originating in the United States will reach this country no matter what form of organization may be applied. And if these programs are better programs or more palatable programs, they are going to be listened to, regardless of the most sincere efforts of Mr. Brockington or anybody in this committee or any one individual. The individual person still has the power of manipulating that dial, and nobody is going to be so divinely inspired that he can control that.

Mr. Brockington went to great length to explain “equality before the microphone.” At the same time that he denied me the right to speak over a network of private stations which I had already engaged, he was permitting this publicly owned system to be used by Cabinet ministers, free of charge, to express their views. I have no quarrel with that. With the strenuous duties of government work and the modern changes in communication, I think it is a grand thing for them to be able to reach their constituents and bring them some knowledge of their activities. I do not question that principle nor do I question his allowing that at all. May I ask if members of the opposition were given free time so that equality before the microphone might be observed?

Hon. Mr. HOWE: I think the answer to that is “yes.” If you go back over the two years, I think you will find that all parties have had opportunities on the radio. The Cabinet ministers were satisfied with fifteen minutes, and members of other parties have had frequent opportunities to speak over the network.

The WITNESS: Members of the committee who are in the opposition might answer if they have been given free time. This happened at the time of my broadcast. Were they called in?

Hon. Mr. LAWSON: Surely that statement is not correct.

Hon. Mr. HOWE: That people had free time on the radio?

Hon. Mr. LAWSON: Yes. I was going to say there have been occasions when the CBC has asked individual persons to speak on some particular subject. Since the minister raises the point, I may say I was asked to speak for seven minutes and a fellow French Canadian was asked to speak for seven minutes.

Mr. BERTRAND: That is too short a time.

Hon. Mr. LAWSON: The subject was the Magna Charta celebration, something purely non-political; and if anyone could even suggest that I made a political utterance in it, I should be ashamed of myself. But I hardly think that is the point—

The CHAIRMAN: It is a pleasure to listen to you, Mr. Lawson.

Hon. Mr. LAWSON: I hardly think that is the point Mr. McCullagh is making.

Hon. Mr. HOWE: Each minister was asked by CBC to speak on the work of his department.

The WITNESS: I think that is very worthy. I think that is a fine thing. But we are discussing—

Hon. Mr. HOWE: I should not like to have it suggested that the government took advantage of its power to force its ministers on the network.

The WITNESS: I do not suggest that. I am trying to make that plain.

Hon. Mr. HOWE: Each minister simply spoke on the work of his department, in a purely non-political way.

The WITNESS: The chairman is establishing the policy of equality before the microphone. If that is his belief, it would be my deduction that when he gave him that time, he would see that members of the opposing party were also given time, to give equality. "Equality" to me means "equal."

Mr. BERTRAND: There is equality in many senses. When the ministers were asked to speak on the radio, they simply explained the working of their own departments. That is all.

Mr. BOUCHARD: There was nothing political about that.

The WITNESS: Maybe members of the opposition, of the C.C.F., or of the Social Credit Party would like to tell the people, under equality before the microphone, how they would manage the office of the minister, if they had the privilege of holding it.

Mr. HURTUBISE: They were explaining the established workings of the government.

The WITNESS: As I say, I cannot agree with them allowing that time—he is establishing equality before the microphone—while not allowing time to those opposing.

Mr. HAMILTON: I would suggest that the witness go on with his statement.

Hon. Mr. LAWSON: Yes. We can have argument afterwards.

Mr. HAMILTON: I suggest that the witness go on.

The CHAIRMAN: Yes, please.

The WITNESS: Continuing: I want you to remember that at no time have I asked that the money I have available to purchase time should be used to shut out any other person. After all, they have established the fact that wealth gives privilege. I have never asked that to be used to the detriment of anyone else. Is Mr. Brockington to go further and suggest, along the line of his formula of equality before the microphone, that if a leading clergyman speaks over a network to discuss religion, it would become the obligation of the CBC to give equal time to an agnostic to express his views?

Hon. Mr. LAWSON: Incidentally, I have an application right now, from an organization somewhat similar to agnostics, asking for free time.

[Mr. George McCullagh.]

The WITNESS: I have no desire to question his sincerity. But let us be practical. If you are going to have equality, and if someone is going to be given the right, because I say one thing, to come and answer, then on that basis you are going to carry it very far. If you bring a man here from the United States to talk—one of Hoover's G men—on crime prevention, are you going to bring a thug to answer him? Mr. Brockington defends his right to exercise bureaucratic control over everything that goes on the air from a Canadian network on the assumption that the ether lies "within the public domain."

Mr. BROCKINGTON: May I ask a question: Would you mind reading any part of my evidence where I defend any right to use bureaucratic control as to what goes over the air?

Mr. SLAGHT: Suppose we have questions after the statement.

The WITNESS: I do not understand the import of the question.

Mr. BROCKINGTON: Might I be allowed to ask a question?

The WITNESS: I should like to have that decided. When you were giving evidence, I was in Toronto; and you gave your evidence before this committee. I understood these men who are members of the committee would judge of certain things. Among others they are going to discuss this incident. I do not quite see the point.

The CHAIRMAN: Just on this point, I should like to say that we should not have any controversy. I think we should allow Mr. McCullagh to finish.

Hon. Mr. LAWSON: Yes.

The WITNESS: Thank you.

Hon. Mr. LAWSON: We can deal with everything else afterwards.

The WITNESS: As I was saying, Mr. Brockington defends his right to exercise bureaucratic control over everything that goes on the air from a Canadian network on the assumption that the ether "lies within the public domain." He compares it to the city water supply. This comparison, of course, is a manifest absurdity. Fresh water for domestic use is something which is consumed and is not available for use again. Its supply is regulated in the interests of economy and to prevent its being contaminated, and it is owned and controlled by municipalities who exercise the right of private municipal ownership over its distribution. The air, as it applies to radio, is of course merely a vehicle for carrying signals. It is not consumed; it is not changed; nor is it in any way interfered with by the passage of radio signals. But because it is available for the use of everybody who controls broadcasting equipment, it is necessary that there should be some "rules of the road."

The air, like the great lakes, is a carrying medium. It carries signals just as the great lakes carry ships. One might as well say that none but government ships should be allowed to ply the great lakes, as to say that none but government approved material should be allowed to go through the air because the air is in the public domain. One might just as well say that I should not be permitted to publish a newspaper because the newsprint comes out of the forest, which, as you know, is part of the public domain. It could be carried further and explained that all mines should be government owned because the rock is in the public domain; and once the ore is extracted from the rock, the rock is useless. I ask this committee to look at this from a common sense viewpoint and ask themselves if this is not a fact. You could give other comparisons. We have a telegraphic communication system in the country which operates signals and has for years. Are we going to set up a government bureaucracy which says how they must do it? The air is not contaminated, except if you think that when I speak it is. But they are the facts by which you must judge it. I am not questioning at all the chairman's sincerity. I am trying to give my view as it applies to his establishing that it lies in the public domain and that should govern it.

What I would wish to leave with this committee is the obvious fact that there was no regulation. I think that is very important. I do not believe there was any established policy, but there was discrimination used by the head of this corporation. Let me quote the testimony of Mr. Brockington on page 94 of the evidence in answer to a question put forward by Mr. Lawson:—

Q. The next question is this: Has there ever been a final decision of policy, a rule, a regulation or whatever you want to call it, with respect to personal opinion being broadcast over a network of non-basic stations?—

A. I think I answered that question and said that there had not been.

Q. Right. That is what I understood. I am trying to get it clear.—A. All right.

This is further confirmed on the same page by the fact that the board of governors of the broadcasting corporation hastily convened in February and set up a ruling to justify this action and to vindicate them for what I believe was a colossal error made by them in refusing me the use of an individual network which I had already engaged. I submit there is room for differences of opinion. I take a strong view in regard to the publicly owned communication system. I think it is very difficult; and I can quite imagine if a lot of people want to make speeches, Mr. Murray's job would be a hazardous one. I mean, he could not do it. He has got a commodity to sell. He has got to sell to the people, and he has got to sell his circulation to his advertisers. If you give unattractive programs and too much of any one thing, they will turn their dials elsewhere. I never at any time tried to say that I should get time and nobody else should get it. If the time was available, I was willing, as my correspondence will prove, to let it be governed by the law of supply and demand. But I do not think you should set up a rule which says that certain individuals cannot have time. They never at any time gave me an opportunity to speak in a public forum in which I had the right to choose my subject. They did offer—after this controversy started—in a letter which I received, to give me time to discuss Canada's trade, in whither direction, or some such subject, with Professor Taylor. I was to take one side and he was to take the other. I am not qualified adequately to discuss that. In the first place, I do not think fourteen minutes is enough. I do not think that is evidence of freedom of the air, to give me a subject on which I must speak. One member of the board, General Odlum, refused to be a party to this.

I should like this committee to believe that I am not against publicly owned radio; in fact it is my firm conviction that in these perilous days, in the event of a national emergency or war, it is not only desirable but a necessity which could be turned to great benefit for the protection of the lives of the people. Neither am I prejudiced personally against Mr. Murray or Mr. Brockington. Quite the contrary. But I do say that the man who holds the position as head of the commission must, of necessity, be of a very judicial, tolerant mind, so that he at no time and in no way uses discrimination affecting the sacred rights of the individual or of the public.

I am fully conscious, Mr. Chairman, that it is human to err. In my opinion a mistake was made. Let us, for the common good, benefit from the mistake rather than convert it into a policy for the future.

Let me assure the gentlemen of this committee that this controversy is now of no importance in so far as it affects me personally; but surely you must agree with me that there is a very serious principle involved affecting the rights of the individual.

I want to thank you for your very courteous attention, gentlemen.

The CHAIRMAN: Thank you, Mr. McCullagh. Have any members of the committee any questions they wish to ask of Mr. McCullagh? If not, Mr. McCullagh may retire.

[Mr. George McCullagh.]

Mr. ISNOR: Before the witness leaves us, I think it is only fair to say, as one member of the committee, that the statement that he has given has taken fifty minutes and it is pretty hard to ask questions right offhand. Shall we have the opportunity of questioning the witness later?

The CHAIRMAN: I was going to make that suggestion, Mr. Isnor. It is very difficult for members to seize the points that Mr. McCullagh is establishing in his brief, because nobody has had a copy of it. I was going to make a suggestion to the committee—you have not any copies of that brief available, have you, Mr. McCullagh?

The WITNESS: I have three only.

Mr. BERTRAND: Everything is not in the brief.

The WITNESS: No. I departed from it at times.

Mr. BERTRAND: Yes.

The CHAIRMAN: I doubt if anybody can ask questions intelligently on this brief, or on the statement of Mr. McCullagh, unless he has read it over. I do not know how we are going to get it to the members of the committee until to-morrow. If any members of the committee have made notes upon which they wish to ask questions, they may do so; it is up to them.

Mr. HAMILTON: That would be very haphazard questioning, if it is possible at all.

The CHAIRMAN: I would, myself, advise waiting until another meeting. Probably Mr. McCullagh, you have plenty of time and could come back?

The WITNESS: I have not plenty of time. I have things to do. Could you call a meeting this afternoon or some time?

The CHAIRMAN: We have not got your statement.

The WITNESS: Well, let us strike some off.

Mr. ROSS: There is something I should like to say in connection with this matter before we finish up. Many statements have been made by Mr. McCullagh here. He is not under oath, as I understand it. I am not questioning his veracity.

The WITNESS: I will take my oath as to the statements, if you wish me to.

Mr. ROSS: I am not questioning his veracity. As he said, it is human to err. One of the last statements made—and just one, although I have noted some more—was that he had already engaged a network of private stations. No one can engage a network of stations. One can engage individual stations; but one must go to the Canadian Broadcasting Corporation for permission to hook them up. Mr. McCullagh's statement was that he had already engaged a network and was refused use of it. I claim that statement is not correct.

Hon. Mr. LAWSON: I think Mr. Ross is confusing two things, Mr. Chairman. My recollection was that Mr. McCullagh said that in 1937 he had engaged a network of private stations, that they were subsequently cancelled, that he protested about it and was reinstated. Then I understood him to say that in 1938 he made application for a network first to the CBC, because as I understand it, he was going to have some government stations on it.

The CHAIRMAN: He also made a statement he had already engaged a network.

Hon. Mr. LAWSON: Then he said he made application for a network of private stations.

The WITNESS: In deference to Mr. Ross, I think if I did not put it in that wording, I would have; and I will tell you why. You apply through an advertising agency. I was told by the general manager that I could have the stations. Would you think it is a great departure from the truth to say that I engaged

them? He told me I could have them so I went out and engaged them. As to the technical way they tie them in—I do not think that is a very important thing.

Mr. HAMILTON: Did you tell those stations that you had the approval of the general manager?

The WITNESS: No, I never did.

Mr. HAMILTON: I mean, when you engaged them did they know, as you say, that Major Murray was agreeable to it?

The WITNESS: No; and it was never the custom. Speakers would go on and give their speeches, as George Drew did, and they would get approval of the CBC following, after the time their speeches were given.

Mr. SLAGHT: I think Mr. Ross will find that the custom is that the applicant goes to the private station and makes his arrangements through the advertising agency, and the private stations deal with the CBC. I think perhaps that is the position.

Mr. Ross: Whether that is the case or not, I was taking exception to the remark that Mr. McCullagh made, in which he said that he had already engaged a network. I wrote that down as he said it.

The WITNESS: I think I said that, Mr. Ross.

Mr. Ross: He said that he engaged a network, when the facts are that he can only engage private stations individually and must go to the Canadian Broadcasting Corporation for permission to hook them up; because there is no hook up in radio outside of the Canadian Broadcasting Corporation.

The WITNESS: Yes.

Mr. Ross: We set up through parliament an Act saying that networks were to be handled by the Canadian Broadcasting Corporation and by the Canadian Broadcasting Corporation alone. Any one who wants the use of a network must go to the Canadian Broadcasting Corporation to get that network.

The WITNESS: May I ask you, Mr. Ross, what you would take, if you were dealing with an executive head of the corporation, and he told you that you could have the network? Is that engaging it?

Mr. Ross: I would say if that statement was made at any time, I should like to have proof of it.

Mr. SLAGHT: You just had it.

Mr. WOODSWORTH: Mr. Chairman, I agree with you that we cannot very intelligently ask a series of questions without having an opportunity of studying this evidence. I do not see any reason why we should keep Mr. McCullagh here. I have objected before to turning this committee into a sort of courtroom, with Mr. McCullagh the prisoner in the dock. I do not think that is the purpose of the committee, and I do not think that is the procedure that we should adopt. Mr. McCullagh has given us a very clear and comprehensive statement, and he has added to the facts in the case his own opinion. I think that is about all the committee can get from Mr. McCullagh; and I do not think that we ought to ask him to remain here because we cannot deal with him until we have the memorandum in printed form. There is no particular advantage in asking him to remain here until that takes place.

Some Hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: I think we should let him go now.

The CHAIRMAN: I am very much of the same opinion, Mr. Woodsworth; I do not think that any good purpose could be served by cross-examination. I quite agree with you there. Mr. McCullagh has made certain allegations concerning Mr. Brockington, also concerning Major Murray the general manager;

[Mr. George McCullagh.]

and he has given his views of a private conversation which took place between himself and the general manager. We have all that before us. Mr. Brockington will be available to the committee. Mr. Murray will be available to the committee. They can refute or agree to what he has said. And then the committee can form its own opinion as to what recommendation they wish to make in the circumstances. I think we would only waste time to proceed with a further examination at this time because we have not his brief before us and so could not discuss this question very intelligently at the moment. That is your view? If the committee agrees with that it is all right.

Mr. THOMPSON: Mr. Brockington and Major Murray have already been heard before this committee and their evidence is on record. To-day Mr. McCullagh has made his statement and it will also be on the record. I think it is the committee's task now to judge between them, and not have any of these men called back to refute anything.

Some Hon. MEMBERS: Hear, hear.

Mr. THOMPSON: After that we might find it desirable to afford them an opportunity of coming back to refute what others may have said.

The WITNESS: I think I would want to.

Mr. THOMPSON: Statements have been made clearly and concisely to this committee and it is our business to examine them and report our decisions.

The CHAIRMAN: Mr. Thompson, I do not think that is the procedure the committee should adopt. Here is the organization with respect to the whole operations of which we have been appointed to look into. Certain accusations have been made against this organization in respect to certain rulings that have been applied, and particularly as they have been applied to Mr. McCullagh, or to other private persons. Private conversations have been cited here, which I think perhaps should not have been cited—

Mr. SLAGHT: Not private conversations, public conversations.

The CHAIRMAN: Conversations in Mr. McCullagh's home, whether public or private.

Mr. SLAGHT: Which, Mr. Chairman, you heard him say were public.

The CHAIRMAN: Will you let me complete my statement, please?

Mr. SLAGHT: I did not like to have a misstatement go on the record. He explained that the meeting was held at his home because he had not been available at his office and he suggested to Mr. Murray that he might consider it as a private social visit, discussing no business; it was Major Murray who insisted on making it a business interview, and Mr. Murray in any interview on radio when he makes it a business interview thereby makes it a public interview.

Mr. Ross: Whether private or public does not matter; the position is that the statement was made in a certain place. That is his side of the argument. I think we should also hear from the other person in the conversation, unless there is more documentary evidence.

Mr. HAMILTON: Following what Mr. Slaght, Mr. Ross and others have said, this is something new to the committee, I think, as to what happened in Mr. McCullagh's house, and certainly any comment we might have from Mr. Murray on a matter like that would be important. But the point I want to make at the moment is this. Mr. McCullagh has divided this thing into two phases; there is a certain amount of justifiable criticism with respect to what has taken place in the past which has to be considered, and then there is the future policy of the CBC. Both of these are matters which are involved in Mr. McCullagh's attempt at a broadcast over a CBC hook-up. This whole matter is a very big one. Whatever led up to it is one thing, and I am very glad to have Mr. McCullagh's viewpoint on that, together with any suggestions that

he may have which would help us to deal with what is undoubtedly a very difficult matter to handle; that is, to decide with respect to these hook-ups and networks who can speak and who cannot. All through this committee's sittings I have tried to keep that in mind. I hope the committee will not get away from this main consideration and allow itself to drift into recriminations and things of that nature, but rather keep before us the importance of a determination of policy for the future. That is a very, very difficult matter for the CBC to decide and I think we as a committee should try to see if we cannot find some suggestions worth making to them.

The WITNESS: May I say to Mr. Hamilton that that is entirely the only reason I came here; in the interests of the policy for the future.

Hon. Mr. STEVENS: I would just like to ask two or three questions.

By Hon. Mr. Stevens:

Q. Mr. McCullagh, prior to or at the commencement of this incident when you sought to obtain the facilities of the CBC for a broadcast had you any knowledge of any rule governing the broadcasting over a hook-up?—A. I had this knowledge, that the CBC had to approve of tie-lines which were necessary to enable these stations to work together as a hook-up or network, and to which Mr. Ross referred; but that was largely a matter of course, approval for which has rarely reached the stations until after the broadcast.

By Mr. Ross:

Q. Was that with respect to privately owned stations?—A. It relates only to privately owned stations.

By Hon. Mr. Stevens:

Q. Did you have any reason to suppose that you would encounter any difficulty in securing the use of facilities over which to go on the air?—A. There had been rumours a year or so before that it would not be popular if I spoke. But, frankly, Mr. Stevens, when I 'phoned Mr. Murray I had not the slightest conception that he was going to refuse me the time, and from his conversation he did not indicate it to me; he did not tell me it was against the rules or anything, and I expected frankly that the next day I would receive a letter giving me some alternative time. I knew he could not push George McCullagh on the air just because I had some money and wanted to get on the air, but if he had the time available he would give it to me; that if he did not have the time available for me on Sunday he might possibly have it available for me on Friday, and that he would indicate his alternative; and I certainly could not quarrel with that; but I do quarrel with his statement that as a matter of policy I should not be allowed to speak, or to use the facilities I bought.

Q. You had never seen any published rule governing this situation?—A. No, sir.

Q. Is it your opinion now, after your experience, that there ought to be a definite rule?—A. I think if any benefit is to be secured out of the incident that benefit would have to be arrived at by you gentlemen of the House of Commons in co-operation with Mr. Brockington in stating a rule for the future so as to guide people as to what privileges they may have. It is one thing for Mr. Brockington to set up a thing as a rule, and it is quite another thing for the House of Commons to support him in his contention; and then you, of course, will be responsible to public opinion. That is all I ask.

Q. Do you think this is possible, having in mind the nature of broadcasting, its difficulties regarding time and so on; do you think it is possible to have a definite rule that any person could understand and be guided by, and be sure of operating under it?—A. I think in the case of the publicly owned system

[Mr. George McCullagh.]

you have in Mr. Murray a very able administrator, and it would have to be left to the executive head to determine whom he would like to have appear on his programs. It may be that with respect to the publicly owned system I am entirely wrong, but with regard to private enterprises here are the men who have put their money into private stations, and you have given them the privilege in this country of broadcasting, surely you have no right to say to them that two stations cannot go together. This is only a modern means of communication. It is exactly the same as though you told me that I could not buy the Brantford Expositor and the Stratford Beacon-Herald should I desire to do so.

Q. I am averse to discriminating between privately owned and publicly owned stations. Do I gather your view correctly from your evidence that your opinion is that the privately owned stations should be treated entirely as private enterprise?—A. You see, Mr. Stevens, they have something to sell, and they can only sell it when they have a listening audience. For that reason they are not going to clutter up their time on the air with material which will cause people to turn the dial to get away from them. It will be, it must be left to the executive head of the broadcasting corporation as to whether this, that or the other thing can be used. He is the one who should have the say as to who should have the use of such facilities.

Q. You mean, on the government system?—A. Yes, on the government system; I would be absolutely for that.

Q. And you think that privately owned stations should be governed entirely by those who own them?—A. I think that is fair if they are going to exist, and whether they operate as individual stations or as a group; I certainly do.

Q. Coming to the government owned stations, I think you rather reflect Mr. Murray's view that there is difficulty in determining exactly what class shall I say of speeches might be delivered over the government owned stations? A. I know that it is a very difficult job.

Q. Have you any suggestions to make that would help the committee in this respect. We will assume that it would be unwise—I think you said so yourself—to have too many speeches; that is, persons, or individuals or societies, expounding views over the radio; it would kill the attraction of radio; you will agree with that?—A. Yes.

Q. What would you suggest by way of a rule or regulation that would hold the balance without obtruding bureaucracy so much?—A. I would think it would have to be left to the executive head to map out the policy of the corporation. Let us take an illustration: Let us assume that someone makes an application to be allowed time to broadcast, entirely disregarding any consideration as to how much money he has or how little, let us assume that he applies for time on the air and Mr. Murray says, no, I do not think we can authorize you to go on the air at that time because my program is all made up and it will put my program plans entirely out of balance, but you can apply again and we may be able to give you some time at a later date. Now, that is a situation which would be governed entirely by the law of supply and demand. The man who asked for the time and who could pay for the time would get the time if Mr. Murray thought his program could stand it.

Q. You would have no objection to being denied time providing it was for the reason that the program plan was fairly well filled up?—A. Certainly not.

Q. You would have no objection to that?—A. None at all. I realize the difficulty of determining that.

Mr. THOMPSON: Mr. Brockington and Mr. Murray are both present here now and I would suggest that if they have any criticism of Mr. McCullagh's address that they be heard now that Mr. McCullagh is here.

Some Hon. MEMBERS: Hear, hear.

Mr. TURGEON: Would you repeat that; what was your suggestion?

Mr. THOMPSON: My suggestion was that as Mr. Brockington and Mr. Murray are both present here that if they wish to make any criticism or any corrections, or if they have any observations to make in connection with the address which was given here to-day by Mr. McCullagh, that they do it now while Mr. McCullagh is here.

Mr. BERTRAND: I object to that.

Hon. Mr. LAWSON: Are we going to be permitted now to ask Mr. McCullagh questions on the subject, or are we to wait until we have had an opportunity of seeing his presentation in print? If we have an opportunity of reading his speech first, necessarily Mr. McCullagh will be called back, probably to-morrow or at the next sitting of the committee.

The CHAIRMAN: I think the committee is of the opinion that it would be pretty hard to ask intelligent questions on Mr. McCullagh's brief without having had a chance to read it.

Hon. Mr. LAWSON: He will be back again to answer questions?

The CHAIRMAN: I am in the hands of the committee.

Mr. TURGEON: Might I make a suggestion which I know is not going to be accepted. My suggestion is this: I listened very carefully to Mr. McCullagh's statement. It had two particular features, as Mr. Hamilton pointed out. One is as to what should be the policy of the broadcasting corporation; and coupled with that suggestion is what degree of control should be exercised by parliament, in addition to its legislation, through a parliamentary committee. The other statement was that he was not in the least bit concerned with what happened in the past, so far as the refusal of the broadcasting corporation to permit him to go on the air is concerned. My suggestion is this: there is indeed a difference of opinion, a clash of statements, between Mr. McCullagh on the one side and the leading officials of the broadcasting corporation on the other, but these clashes of statement all refer to what took place in the past. We don't require a fight between Mr. Brockington and Mr. Murray on the one hand, and Mr. McCullagh on the other, unless we are concerned with what took place in the past. Mr. McCullagh is the aggrieved party—and I am using that term in a special sense, I do not mean that he has a just grievance—but he is the party who made the application and was refused the application to go on the air.

Hon. Mr. LAWSON: He has a grievance at all events.

Mr. TURGEON: He has a grievance. Now, we are not concerned if he does not wish redress; and I was very glad to hear him make that statement; if he does not wish redress this committee has nothing to gain by pursuing the matter further. We were appointed as a committee by parliament to look into this matter, and we have nothing to gain by re-hashing the whole question as to whether or not it was within the power of the broadcasting corporation to grant or to refuse Mr. McCullagh's request to go on the air. I do think that the committee can express thanks to Mr. McCullagh for the views he gave as to what should be the permanent policy of the corporation. I do not mean when I say we should give him thanks that we agree with those views; that is another question. Coming to my suggestion now, here is the suggestion, but I am afraid it is not going to be taken: That from now on we deal not with what took place in January, nor with the bickerings between January and now; but that we deal with the whole policy of the broadcasting corporation, and with what degree of control if any we are going to try to exercise upon it. We might sit here for a dozen meetings and reach no more definite conclusions than we have already reached concerning the past. I say that purposely because this committee has already more or less gone on record; for instance, with reference to the production of minutes. That is a record of the committee already; and

[Mr. George McCullagh.]

if we open up the past again we will only consume time. Now I am going to ask Mr. Brockington who is an exponent of free speech to grant Mr. McCullagh that same tolerance which he and every exponent of free speech have in particular, the tolerance to disagree with him and to differ from him in this committee; and I am going to ask Mr. McCullagh to do what this fellow says, to co-operate for the common good.

The WITNESS: I am quite willing to, sir.

MR. TURGEON: I really believe that if we had from one side an expression of tolerance, and from the other side a really sincere desire to co-operate for the common good we would forget the past entirely and proceed to a consideration of the future and endeavour to determine what our policy should be.

HON. MR. LAWSON: I think Mr. Turgeon is going to get support for that motion of his from an unexpected quarter. I also have a suggestion to make. Now, may I preface that suggestion by making clear that so far as I am concerned as a member of this committee I will raise no objection to Mr. Brockington or Major Murray giving evidence again in respect to any new subject matter raised by Mr. McCullagh this morning; I wish to make that clear, if there is any purpose to be gained. Now, for my suggestion:

THE CHAIRMAN: Do you expect your suggestion to be accepted?

HON. MR. LAWSON: No. I combine something suggested by Mr. Turgeon and something suggested by Mr. Hamilton. In its final analysis this committee is going to be asked to try the issue of what is best. The job this committee is going to try to do is to lay down recommendations to deal with a very difficult problem for the future; and it may be that in the course of doing that some of us may want some amendments made to the present broadcasting Act; but none of it has anything to do with the past; therefore, I was going to suggest that so far as Mr. McCullagh is concerned he be not asked to stay here. You will not get a printed copy of this day's proceedings by to-morrow—I will be surprised if you do. After the printed copy is available if any member of the committee wants to ask Mr. McCullagh any questions then the committee will have to ask Mr. McCullagh to return at some future meeting. Then it seems to me we can go on with our job of trying to lay out some policy for the future.

THE WITNESS: May I say, Mr. Chairman, what I neglected to say, in deference to Mr. Brockington. He has written me letters, and we have had talks, and even before this committee he has expressed the view that if we sat down together and talked this thing over we would not find each other very far apart and that he would like to co-operate, and I would like to co-operate for the common good. I have no objection whatsoever against that; but I did not wish to leave the inference that I had ever made any suggestion that he should be replaced in his position.

SOME HON. MEMBERS: Hear, hear.

THE WITNESS: I think Mr. Brockington has unquestioned ability for the job he fulfils; but I felt it my duty to review the whole controversy and place my side of the case before this committee. And I am sure that if I do have an opportunity to sit down with Mr. Brockington and go into this matter with him that when we are through we will not be very far apart; and that is what I am willing to do, I am willing to co-operate for the common good.

MR. DUPUIS: Taking a broad view of the whole situation and having in mind the suggestions made by Mr. Turgeon, Mr. Lawson and others, I am inclined to the belief that in view of the fact that this committee is a kind of jury which is here to listen to evidence, to receive witnesses and take their testimony into consideration, that we should recognize that the question before us to be decided is this; where is the dividing line between those who should be heard and those who should not; between individuals like Mr. McCullagh and those who

should not be heard or should not be permitted to be heard over the radio. That is a question which should be left entirely in the hands of this committee to decide, and to the CBC. With that in mind the contributions made to-day by Mr. McCullagh will be found very useful, as will the material which has been supplied to us by other witnesses who have come before this committee. Others might come before us presenting a point of view which might differ entirely to those of Mr. McCullagh. I agree with Mr. Turgeon, that we should not lose time discussing things which are past; rather we should, "let the dead past bury its dead," and let us look towards the future. For that reason, Mr. Chairman, I am convinced that what you said is quite appropriate, that we should pause and consider the value of the testimony of all those witnesses who have come before this committee to date; and having done that we should abide either by the decision of this committee or the decision of the board of governors. For that reason I support Mr. Woodsworth's motion that the committee adjourn to study the statement and the brief presented to us this morning; by doing that we will be able to reach a decision much more competently.

Mr. HEON: Before the motion is put to a vote, I would like to make a practical suggestion, that both Mr. McCullagh and Mr. Brockington sit down to luncheon to-day, and that this committee pay the cost of that luncheon.

Hon. Mr. LAWSON: No, that they buy the luncheon for the committee.

The CHAIRMAN: Would you include the chairman in that luncheon, Mr. Heon?

Mr. HEON: Yes, yes; it is only natural that you should be there also.

The WITNESS: Who pays for it?

Mr. WOODSWORTH: I should like to move, in line with my suggestions of a few minutes ago, and I think it has been pretty well summed up and will now represent the consensus of opinion of members of this committee; that Mr. McCullagh be not now heard at any further length, that he be relieved as a witness and that if it becomes evident later on that such a course is desirable that he be recalled. I make that as a motion, Mr. Chairman.

Mr. BOUCHARD: I second the motion.

The CHAIRMAN: You heard the motion, gentlemen; are you in favour of the motion?

(Motion agreed to.)

The CHAIRMAN: Mr. McCullagh, thank you.

The WITNESS: Thank you, Mr. Chairman.

Witness retired.

The CHAIRMAN: Now, gentlemen, we still have some twenty-five minutes. Mr. Brockington is here, the chairman of the board of governors. Is it your pleasure to hear from Mr. Brockington?

Some Hon. MEMBERS: Agreed.

L. W. BROCKINGTON, K.C., Chairman, Board of Governors, Canadian Broadcasting Corporation, recalled:

The WITNESS: I can tell you all I have to say at the moment in some three sentences, but before I do that I should like to say that I am quite prepared to sit down with Mr. McCullagh. He has had me as a meal for breakfast table already, and whether there is enough left of me for lunch again or not I do not know; but I am quite willing to sit down with him if he feels agreeable.

Mr. McCullagh's position before this committee is twofold: He appears in the first instance as one citizen of Canada interested in broadcasting, and in that capacity he has a right to expound just the same as any other citizen

[Mr. Leonard W. Brockington.]

of Canada would have the right to appear to give his views in respect to the future policy for broadcasting. With reference to future policy his opinions are entitled to just as much consideration as those which have been given by other equally informed men on the subject matter. And in so far as this committee is concerned, and this board is concerned, I am sure we will take into account whatever suggestion he may have, whatever argument he may offer concerning a policy which at the moment as we say is in course of formation. With reference to the position in which he finds himself as the Canadian most intimately affected by a certain incident I have every sympathy. I have the greatest respect for freedom of speech, which consists in the free expression of opinion, but when certain facts are alleged then I take it that an ordinary examination on the basis of truth must be made. Now, I have been placed in a most awkward position. From the evidence which I have given before this committee I detract not one word, not one syllable, not one shade of emphasis. In other words, I stick unequivocally to what I have said as the plain, simple and unvarnished truth.

Now, a new element has been thrown in this morning by Mr. McCullagh's recollection of a conversation with Mr. Gladstone Murray. I cannot believe that the impression left upon Mr. McCullagh's mind is the impression that Mr. Murray desired to leave, because it is totally at variance with all the facts. On the other hand, the contradiction of the impression that was apparently left on Mr. McCullagh's mind is obviously a matter for a gentleman in whom I have confidence, namely, the general manager of this corporation. I do not wish to be tied up in a controversy in which is involved the recollections of the two people concerned in the conversation. It may have happened. I do not know. And so, the reference must be largely a matter for the conscience of the gentleman who mentioned it this morning. I therefore suggest to you that Mr. McCullagh's evidence be printed, and that Mr. Murray be given full opportunity to deal with it by way of explanation, contradiction or otherwise. When that has been cleared up by Mr. Murray then perhaps I will have something further to say.

But, in the meantime, I want it to be distinctly understood in this committee that in so far as Mr. McCullagh's opinion is concerned as to the future, we will deal with it with the sympathetic consideration that is due to an expression of opinion of any well-informed citizen of Canada. With reference to his statement of facts as to the past, so far as I am concerned I want to say right now that my statement before this committee already made is well known to you, and it is complete and final.

MR. ISNOR: Just before Mr. Brockington leaves the stand, he referred to policy in the course of preparation; would he just indicate to us what he meant by that?

THE WITNESS: If you remember, sir, we outlined for the future a number of potential suggestions. We asked for perhaps a better definition of "approved society." We mentioned extension of the field of discussion. We asked the committee to consider the possibility of free uninterrupted discussion of political problems. Our board met and considered this problem again last week. And you will recall we decided to leave the final definition and crystallization of this policy until we had the benefit of the observations of this committee after they had considered all its aspects.

MR. SLAGHT: Might I enquire from Mr. Brockington, I was a little confused in this; listening to his deliverance, he went on where he dealt with an expression which was not in accordance with the truth. I do not take it that he meant us to understand by that that he was giving to Mr. McCullagh a challenge of untruth.

THE WITNESS: Oh, certainly not. What I said was that I awaited Mr. Murray's explanation of his conversation with Mr. McCullagh; because what

I said was that the impression in Mr. McCullagh's mind, as a result of that conversation, was not in accordance with the truth. That is all.

Hon. Mr. LAWSON: I do not want to interrupt Mr. Brockington. But how can he know anything about it when he was not there?

Mr. SLAGHT: That is what I say. How can Mr. Brockington say it is not in accordance with the truth when he was not there?

The WITNESS: No. You fail to make two distinctions. A conversation can be true from two points of view. It can be a true record of a conversation and it can be a true record of the facts which that conversation purports to record. I am not denying at the moment, until I hear from Mr. Murray, the possibility of the truth of the conversation, because I was not present. But all I am saying is that the facts, as alleged by Mr. McCullagh as stated in that conversation, are not true. That is all. That is a different matter, I hope.

Mr. McCULLAGH: If I may ask, I should like to know where the difference is, Mr. Brockington? You say the facts as related are not true. Are you imputing to me that I am telling facts or deducing facts and giving them before this committee untruthfully?

The WITNESS: No. I certainly say nothing of the kind. As I tried to make plain to you the distinction is between two things. A repetition of a conversation may be a true record of a conversation or it may not be a true record of the facts concerning which the conversation took place. All I am saying is that your deductions from the conversation with Mr. Murray—I want to hear from Mr. Murray first—are not in accordance with the true facts of the things that took place, as to the words used. I do not know anything about that.

Mr. SLAGHT: That is a different thing.

Mr. McCULLAGH: Would it not be best to hear Mr. Murray?

The WITNESS: Certainly. I am asking that Mr. Murray be given an opportunity of giving his version of the conversation.

Hon. Mr. LAWSON: I go back to where I started. I shall certainly not oppose Mr. Murray being heard.

The WITNESS: Certainly not.

Hon. Mr. LAWSON: But I certainly believe that most of the members of the committee are of the same mind as I am, and I believe that just what occurred in this conversation is not a question of fact which we are going to determine. All we are interested in is what is going to be the policy of the future.

The WITNESS: Quite so. That is the reason why I deprecate, for one, bringing before this committee a memory of a conversation which should never, in my opinion, have been referred to.

Mr. McCULLAGH: That is a question of your opinion, if I may interject.

The WITNESS: I have given my opinion, and you have heard it.

The CHAIRMAN: Do not let us get into any controversy. There has been a reference here to a private conversation between Mr. McCullagh and Mr. Gladstone Murray.

Mr. SLAGHT: No, it is not a private conversation; not at all.

Mr. WOODSWORTH: I think it would be only fair to hear, as briefly as possible, from Mr. Murray.

The CHAIRMAN: It was a conversation between two men, Mr. Gladstone Murray and Mr. McCullagh.

Mr. SLAGHT: On public business.

[Mr. Leonard W. Brockington.]

The CHAIRMAN: Mr. Gladstone Murray is in exactly the same position as the members of the committee. They have heard Mr. McCullagh's statement. They might have caught a word here and there, but it was read fairly fast. I do not think we should call on Mr. Gladstone Murray at the present moment, but I think we should let Mr. Gladstone Murray have an opportunity of reading the statement.

An Hon. MEMBER: There is a motion before the committee.

Hon. Mr. LAWSON: That is passed.

Mr. BERTRAND: We are out of order.

Hon. Mr. LAWSON: If Mr. Murray wants to come forward and give any evidence in connection with the matter after he has had an opportunity of reading it, that will be fine. So far as I am concerned, it is not going to affect me at all.

Mr. SLAGHT: Nor so far as I am concerned.

Mr. HAMILTON: It has been suggested that it was not a private conversation. That is true so far as Mr. McCullagh is concerned. It may be different with Mr. Murray. Mr. Murray may have had a different point of view. I do not accept for a moment that it was necessarily a public conversation.

The CHAIRMAN: We have heard Mr. McCullagh. I want to thank you, Mr. McCullagh, for coming here. We certainly enjoyed your being with us this morning very much. May I make this suggestion to the committee? The Easter recess is taking place on Thursday evening. Some of the members of the committee want to get away to-night. Some of them have a long distance to go. What date would you suggest for our next meeting?

Mr. SLAGHT: What date do you suggest, Mr. Chairman?

The CHAIRMAN: I, myself, do not think we can meet very well until after the Easter recess.

Hon. Mr. LAWSON: I quite agree.

Mr. DUPUIS: Why not make it Thursday after the recess?

The CHAIRMAN: Very well. Will someone make a motion to adjourn?

Hon. Mr. LAWSON: I move we adjourn.

The CHAIRMAN: Carried.

The Committee adjourned at 12.35 p.m., to meet again on Thursday, April 13, at 11 a.m.



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SESSION 1939

HOUSE OF COMMONS

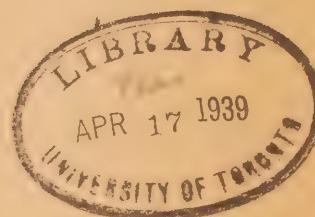
SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15



THURSDAY, APRIL 13, 1939

OTTAWA

J. O. PATENAUME, I.S.O.

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1939

MINUTES OF PROCEEDINGS

THURSDAY, April 13, 1939.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Dupuis, Hurtubise, Lawson, MacKenzie (*Neepawa*), Martin, Stevens, Thompson, Turgeon, Woodsworth.—10.

The Chairman read to the Committee a letter signed by Mr. George W. McCullagh of the *Globe and Mail*, Toronto, and Mr. Leonard W. Brockington, K.C., Chairman of the Board of Governors of the Canadian Broadcasting Corporation.

Ordered,—That the said letter be filed.

On motion of Mr. Stevens,—

Resolved,—That the Chairman do appoint a sub-committee to assist in preparing a draft report for the consideration of the Committee at its next sitting.

Discussion followed and it was agreed that the Chairman should interview the Minister of Transport, Hon. C. D. Howe, on the advisability of implementing the recommendation of the Committee of 1938 regarding the building and upkeep of a high power short wave broadcasting station for Canada.

The Committee then adjourned to meet again at the call of the Chair.

WALTER HILL,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

April 13, 1939.

The Special Committee on Radio Broadcasting met at 11 a.m. The Chairman, Mr. Arthur Beaubien, presided.

The CHAIRMAN: Gentlemen, will you kindly come to order.

Since our last meeting I have received a letter signed by Mr. Brockington, Chairman of the Board of Governors of the Canadian Broadcasting Corporation, and Mr. George McCullagh, Editor of the *Globe and Mail*. As I was about to leave for the Easter recess I tried to show that letter to as many members of the committee as possible to ascertain whether or not in their opinion I should release it to the press, and all those who saw it agreed that it should be released to the press, so I released it on Tuesday night. I am now going to read the letter, with the permission of the committee:—

“Ottawa, Ontario,

April 4, 1939.

Dear Mr. CHAIRMAN,—Since this morning's meeting of your committee, the undersigned, through the kind offices of mutual friends, have met to consider the question that has been in issue between us.

After a frank discussion of matters which have obviously been the subject of some misunderstanding between the undersigned and some difference of opinion, we both desire that no further public reference be made to the recent incident.

In arriving at this decision, the Canadian Broadcasting Corporation desires to assure Mr. McCullagh that it had no intention to treat him otherwise than with complete impartiality, and believes that he, on his part, was actuated by a sense of public obligation in the course he pursued.

Mr. McCullagh desires to accept this assurance and to express his own conviction of the good faith of the chairman of the board of governors of the Canadian Broadcasting Corporation, and his appreciation of the public service of Mr. Gladstone Murray.

We hope that this joint statement will allow us both to co-operate, without further discussion, in the advancement of the public interest.

(Signed)

GEORGE McCULLAGH,
LEONARD L. BROCKINGTON.

It is very gratifying to me to be able to read to the committee a letter signed by two public spirited gentlemen.

Hon. Mr. STEVENS: It would be interesting to know where the letter was written, and under what circumstances. However, we will accept it.

The CHAIRMAN: I think it is no matter where it was written, the letter itself is interesting.

Hon. Mr. LAWSON: I move, Mr. Chairman, that it be filed with the comment: “Love's Labour Lost.”

Hon. Mr. STEVENS: No, I think it should be framed; put it in the lobby of the House of Commons.

The CHAIRMAN: Now, gentlemen, at our last meeting we were through with the officers of the Canadian Broadcasting Corporation, and nobody has mentioned any desire that anybody else should be heard before the committee, and nobody has made any request to appear before the committee. Now, what is your wish?

Hon. Mr. STEVENS: There were quite a number who made the request, but I understood from the chairman that these requests to appear had been withdrawn.

Hon. Mr. LAWSON: That was from the Private Broadcasters Association.

The CHAIRMAN: All the requests that we received have been withdrawn.

Hon. Mr. STEVENS: It would be interesting to some of us to know why they were withdrawn.

The CHAIRMAN: They were withdrawn by letters which were placed on the record. They gave as their reason for withdrawing the simple statement that they had met with the board of governors and that many of their difficulties were in process of adjustment.

Mr. DUPUIS: I would like to know whether or not any suggestion has been received from the CBC with respect to changing the policy and practice in relation to the collection of radio licence fees?

The CHAIRMAN: There was a suggestion made by Mr. Rush; the gentleman in charge of the collection of radio licence fees in the Department of Transport, that he is prepared to meet any member of the committee or any member of the House of Commons with a view to effecting any arrangement with respect to the improvement of the licence fee collection service within the riding. You will remember that he suggested this system of pour parler with respect to methods to be adopted in collecting licence fees. I might further suggest that if any member wishes to change the present system in his riding he would be well advised to consider the method that has been worked out with such success in Mr. Bouchard's riding.

Mr. THOMPSON: The big trouble with respect to an inspector going to these towns to collect the licence fees is that at the first call he makes somebody gets busy on the telephone and everybody in town knows he is around and they all rush to town and buy their licences and when he gets to their homes he finds that everyone has a licence. That is one reason why you will find it very difficult to get men of the right type to go around collecting licence fees for you in rural districts.

The CHAIRMAN: Right on that point, we had Mr. Rush here and we heard his evidence, and if this committee wishes to make any recommendation in writing to the government we are at liberty to do so when submitting our report.

Hon. Mr. STEVENS: I suggest, Mr. Chairman, that you should name a sub-committee to draft a report to present to this committee at its next meeting.

The CHAIRMAN: How do you wish to have such a committee appointed; do you wish to appoint them here?

Hon. Mr. STEVENS: You appoint them. As far as I am concerned that sub-committee should be appointed by the chair.

Mr. TURGEON: You pick the sub-committee.

The CHAIRMAN: How big would you like it to be?

Mr. TURGEON: How many are there on the whole committee?

The CHAIRMAN: There are twenty-three.

Hon. Mr. STEVENS: The sub-committee should comprise only a small number.

The CHAIRMAN: What would you think of a sub-committee of five?

Mr. TURGEON: Fine.

The CHAIRMAN: If that is your wish, gentlemen, I shall do that at my earliest convenience. I have already made some little preparation in regard to the report.

Hon. Mr. STEVENS: I wish to leave, if I may?

The CHAIRMAN: All right.

Then, gentlemen, we will meet again let us say at the call of the chair.

The committee adjourned at 11.25 o'clock a.m. to meet again at the call of the chair.

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SESSION 1939

HOUSE OF COMMONS

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SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS
FOURTH AND FINAL REPORT

No. 16



TUESDAY, MAY 9, 1939

OTTAWA
J. O. PATENAUME, I.S.O.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1939

MINUTES OF PROCEEDINGS

TUESDAY, May 9, 1939.

The Special Committee on Radio Broadcasting met this day at 11.00 o'clock a.m. The Chairman, Mr. A. L. Beaubien, presided.

Members present: Messrs. Beaubien, Bouchard, Factor, Hamilton, Howe, Hurtubise, Isnor, Lawson, MacKenzie (*Neepawa*), Martin, Patterson, Ross (*Moose Jaw*), Thompson, Woodsworth—14.

The Chairman informed the Committee that the sub-committee had prepared a draft report for its consideration.

The Committee proceeded to the consideration of the draft report. Discussion followed on the various clauses thereof.

On motion of Mr. Isnor,

Resolved,—That the draft report as amended, be the Committee's report to the House.

Carried on division.

The Committee adjourned *sine die*.

WALTER HILL,
Clerk of the Committee.

TUESDAY, May 9, 1939.

The Select Committee appointed to consider the Annual Report of the Canadian Broadcasting Corporation and to review the policies and aims of the Corporation and its regulations, revenues, expenditures and development, begs leave to present the following as its

FOURTH AND FINAL REPORT

1. Your Committee was impressed by the increasing scope and importance to Canada of the Corporation's work. It feels that more effective steps should be taken, through broadcasting itself and other appropriate methods of disseminating information, to familiarize the public with its varied activities.

2. Your Committee is satisfied that the financial policies of the Corporation are sound. The Corporation has consistently achieved a prudent surplus. Your Committee believes that increased revenue should result from improved coverage and service.

3. Your Committee notes with satisfaction the development of the plan of national coverage especially in the Prairie and Maritime provinces, where 50,000 watt regional transmitters are being added to the national network. In the further development of the plan, the Committee approves in particular of the Corporation's intention to proceed at an early date with much needed improvements in coverage and service in South Western Ontario and British Columbia.

4. In regard to programs, Canada is in the happy position of having at her disposal a wide variety of material both from outside and inside the country. The Corporation's policy and practice appear to take advantage of this situation, while giving the maximum encouragement to Canadian talent. The plans for the King's visit are noted with approval. The Committee especially endorses the Corporation's proposals for a larger number of programs for rural listeners. It is felt that broadcasting can be an important agency of practical service to farmers, fishermen and other primary producers, and of bringing the riches of music, drama and other forms of entertainment and culture into their homes. Your Committee also feels that the Corporation can do much to instil an appreciation of the value and advantages of the rural way of life.

5. Recognizing the necessity of planning and balance in public service broadcasting, your Committee notes with approval the Corporation's determination that the present ratio of commercial to sustaining network programs should not be increased.

6. The Committee of last year emphasized the importance of establishing, at as early a date as possible, a high-power short-wave broadcasting station, financed as a national undertaking, but operated and controlled by the Corporation as an integral part of its system. Such a project would facilitate the exchange of programs with other countries, would serve to advertise and interpret Canada abroad, and supplement the domestic program service. Canada is the only leading trading nation without such facilities. We desire to draw the attention of the government to the imminent possibility that further delay in proceeding with the undertaking may result in Canada losing altogether the short wave channels registered in her name, and as a consequence being shut out of the field entirely.

7. Your Committee approves, as in the widest interests of the nation, the Corporation's policies regarding short-wave, television and facsimile broadcasting. The Corporation hopes shortly to occupy the field of high-power short-

wave transmission. As regards television and facsimile, the policy is to alienate no part of the public domain to private interests. The Corporation intends, as soon as possible, to undertake experiments in facsimile broadcasting.

8. Your Committee recognizes that the responsibility of controlling and co-ordinating all broadcasting in the public interest rests upon the Corporation. In this connection your Committee wishes to express its gratification of a better understanding between private stations and the Corporation recently attained.

9. Your Committee is seized of the difficulties of working out the principles of freedom of speech in relation to the peculiar characteristics inherent in the medium of broadcasting. In view of the limitations, both of time and of the number of channels available for broadcasting, as well as the exigencies of program planning, your Committee is convinced that fairness in the presentation of controversial material can best be assured by means of any system of network broadcasting on a sustaining basis.

10. Your Committee shares the view of the Corporation that network broadcasting of programs of opinion on current affairs should not be available for commercial sponsorship, more adequate time to be provided free for this purpose. The Committee believes that the Corporation's policies respecting broadcasts of opinion are designed to ensure the largest possible measure of fairness and equality of opportunity. We wish to emphasize the importance of placing before listeners the widest variety of points of view. It is desired to stress the importance of flexibility and experiment in forms of presentation.

11. Certain of the Corporation's policies affecting the public generally have not been sufficiently made known resulting in misunderstanding and inconvenience. Your Committee approves of the Corporation's intention to make such policies known more fully and widely in the future. While recognizing the rapidly changing and developing character of the enterprise, the Committee wishes to stress the need of duly publicizing policy decisions of this kind.

12. On the matter of political network broadcasting, your Committee is of the opinion that serious consideration be given to placing such broadcasting, during federal and provincial election campaigns, on a sustaining basis exclusively, with the understanding that the time so provided will be divided equitably among the political parties. Your Committee is also of the opinion that network party political broadcasting between elections should remain open to purchase, subject always to consideration of fair distribution and program planning.

13. Your Committee recommends that the licence fee for privately-owned broadcasting stations be revised in relation to power and population served, and that the new scale be effective for the current fiscal year.

14. Your Committee believes that the existing regulation which imposes on the vendor of a radio set the obligation, before making a sale, of ascertaining that the purchaser possesses a licence, should be rescinded. It recommends that the vendors of receiving sets be in future required to report monthly to the Department of Transport the names and addresses of all purchasers of sets, including the date of each sale.

15. Your Committee wishes to record its warm appreciation of the public-spirited manner in which the Board of Governors and the Management are discharging their duties as trustees of the national interest in broadcasting. The Corporation is developing a broadcasting system of increasing service to the people of Canada.

A copy of the minutes of proceedings and evidence is annexed hereto.

All of which is respectfully submitted,

ARTHUR L. BEAUBIEN,
Chairman.

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